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September 30, 2019

VIA ELECTRONIC FILING

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Basin Electric Power Cooperative, Docket No. ER19-____-000
Submission of Proposed Open Access Transmission Tariff and Annual
Transmission Revenue Requirement for Basin Electric Power Cooperative

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act (“FPA”)¹ and section 35.12 of the Federal Energy Regulatory Commission’s (“Commission” or “FERC”) regulations,² Basin Electric Power Cooperative (“Basin Electric”) hereby submits for Commission acceptance or approval Basin Electric’s initial Open Access Transmission Tariff (“Tariff”), Annual Transmission Revenue Requirement (“ATRR”), and a stated rate for transmission service under that Tariff for Basin Electric’s transmission facilities located in the Western Interconnection.

As explained in detail below, Basin Electric will no longer qualify for an exemption from Commission regulation under the FPA on the earlier of the date on which: (1) it admits a Class A Member that does not qualify for such an exemption or (2) an existing Class A Member ceases to qualify for such an exemption. Consequently, Basin Electric respectfully requests that the Commission grant waiver of the minimum sixty-day and maximum 120-day notice requirement and permit the rates to go into effect on the date on which Basin Electric becomes subject to the Commission’s jurisdiction.

¹ 16 U.S.C. § 824d (2018).

² 18 C.F.R. § 35.12 (2019).

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Pursuant to Order No. 714³ and section 35.7 of the Commission's regulations,⁴ this filing is being submitted electronically through the Commission's eTariff system.

I. BACKGROUND

A. DESCRIPTION OF BASIN ELECTRIC

Basin Electric is a not-for-profit, consumer-owned rural electric generation and transmission ("G&T") cooperative corporation organized under the laws of the State of North Dakota engaged in the business of providing wholesale electric service to its Members. It is headquartered in Bismarck, North Dakota. Basin Electric was formed in 1961 for the purpose of building and operating large-scale, economical generating plants and high-voltage transmission to meet the power supply requirements of a group of cooperatives above their allocation of hydroelectric preference power from Western Area Power Administration ("WAPA").

As described in more detail in Section I.B, below, on September 3, 2019, Tri-State Generation and Transmission Association, Inc. ("Tri-State") withdrew its Class A membership in Basin Electric. On September 8, 2019, Basin Electric's Board of Directors ("Basin Electric Board") approved Tri-State's application for readmission as a Class A Member, effective November 1, 2019. For purposes of the description of Basin Electric contained within this Section I.A, and in light of Tri-State's November 1, 2019 readmission, Basin Electric includes Tri-State in the description of its membership, contracts, and facilities.

1. Basin Electric is governed by its Members, which it serves via wholesale power supply contracts.

a. Membership Classes

As a cooperative, Basin Electric is owned and governed by its Members, which are also its retail or wholesale customers. The cooperative structure is designed to give the members the opportunity to satisfy their collective needs more effectively than if the members acted independently. Electric cooperatives include distribution cooperatives (such as the majority of Basin Electric's 141 Members) and G&T cooperatives (such as Basin Electric and several of Basin Electric's Class A Members). The primary purpose of electric distribution cooperatives is to supply the requirements of their retail consumers through bulk purchases of power and energy and to maintain a distribution system to deliver the electricity necessary to satisfy their consumers' requirements. The primary purpose of G&T cooperatives is to provide wholesale electric power to their member distribution cooperatives.

Basin Electric's Members are classified into four classes (A, B, C, and D) depending on how they are supplied with Basin Electric's electric services. Basin Electric's operating revenue comes primarily from its Class A Members. Although the percentage of its energy requirement

³ *Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270 (2008) ("Order No. 714").

⁴ 18 C.F.R. § 35.7.

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that each Class A Member receives varies, Basin Electric supplied more than eighty percent of its Class A Members' requirements in 2017 and 2018.

Basin Electric's Class A Members will consist of ten wholesale G&T cooperatives and eight distribution cooperatives that have entered into long-term wholesale power contracts with Basin Electric (the "Class A Members"). Basin Electric's Class A Members have service areas in Colorado, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, South Dakota and Wyoming. Basin Electric supplies power directly to and receives revenue directly from its Class A Members. Electric sales to the Class A Members comprised approximately 90.7 percent of Basin Electric's revenue from electric sales in 2018.

Basin Electric's Class B Members consist of (1) any municipality or association of municipalities operating within an area served by a Class A Member that (2) is a member of and contracts for its electric capacity and/or energy from that Class A Member (the "Class B Members"). Basin Electric currently has one Class B Member. It does not supply power directly to or receive revenue directly from the Class B Member.

Basin Electric's Class C Members consist of distribution cooperatives and public power districts that are members of Basin Electric's G&T Class A Members (the "Class C Members"). Basin Electric's Class C Members do not purchase power directly from Basin Electric, but rather purchase power from their respective G&T Class A Members. Basin Electric currently has 121 Class C Members. It does not supply power directly to or receive revenue directly from its Class C Members.

Basin Electric's Class D Members consist of electric cooperatives, municipalities, and associations of municipalities that purchase power directly from Basin Electric on a basis other than the long-term wholesale power contracts that Basin Electric has with its Class A Members (the "Class D Members"). Basin Electric currently has one Class D Member.

Basin Electric's Members are not subsidiaries. Except for the obligations of the Class A Members under their respective wholesale power contracts with Basin Electric (described below), Basin Electric has no legal interest in, or obligation in respect of, any of the assets, liabilities, equity, revenue or margins of such Members. In addition, the revenue of the Class A Members is not pledged to Basin Electric but is received by the respective Class A Member and is the source from which moneys are derived by such Class A Member to pay for capacity and energy supplied by Basin Electric under the respective wholesale power contracts as well as from others.

A complete list of Basin Electric's Members is included as Attachment A to this transmittal letter.

b. Board of Directors and Governance

Basin Electric's corporate powers will be vested in the eleven-member Basin Electric Board, which meets monthly. The eleven representatives on the Basin Electric Board ("Board Members") are elected by and from a pool of Basin Electric's Members, who also are its ultimate customers. Each of Basin Electric's ten G&T Class A Members is represented by one Board

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Member on the Basin Electric Board. The eleventh Board Member represents the eight distribution Class A Members and the one Class D Member (referred to as “District Nine”). Class B and C Members are represented by the Board Members of the Class A Members from whom they receive their power. The Board Members serve for three-year terms on a staggered basis.

Each Member distribution cooperative also elects a Board of Directors. While holding a seat on the Basin Electric Board, the Board Members must also serve on the Board of Directors of their respective Class A Member (except for District Nine) in addition to serving on the Board of Directors of the Class C Member. This Board of Directors structure further strengthens Basin Electric’s cooperative model and ensures its Board Members are also its owner-customers.

In other words, each distribution cooperative’s Board of Directors elects one of its members to the Board of Directors of its G&T. That G&T Board of Directors then elects one of its board members to the Basin Electric Board. This ensures that the ultimate consumer has a voice in the management and operation of Basin Electric. For example, a member of the McLean Electric Cooperative, a distribution cooperative and Class C Member of Basin Electric, was elected to serve on that distribution cooperative’s Board of Directors. The McLean Electric Cooperative Board of Directors then elected him to serve on the Board of Directors of Central Power Electric Cooperative (“Central Power”), a G&T cooperative and Class A Member of Basin Electric. The Central Power Board of Directors, in turn, elected him to serve on the Basin Electric Board.

The Basin Electric Board represents the Members as users of the cooperative’s services. Acting as a group, the primary responsibilities of the Basin Electric Board are to employ the manager, establish operating policies, and direct the cooperative toward its overall objectives. The Basin Electric Board serves as Basin Electric’s regulator, ensuring that the cooperative remains fully accountable to its members/customers and serves their best interests. By contrast, Basin Electric’s Chief Executive Officer and General Manager is responsible for overseeing the implementation of the policies and strategies set forth by the Basin Electric Board as well as the day-to-day operations of Basin Electric.

c. Wholesale Power Contracts

Basin Electric supplies its Class A Members, the primary purchasers of its power, through wholesale power contracts. Pursuant to these contracts, Basin Electric sells and delivers to each Class A Member (with the exception of Tri-State⁵) all of that Member’s capacity and energy requirements over and above certain specifically enumerated amounts available to the Member from other specified sources, primarily WAPA. Basin Electric’s wholesale power contracts with its Class A Members provide that capacity and energy are to be furnished in accordance with the Member’s normal annual load patterns and that Basin Electric’s obligations are limited to the extent to which it has capacity, energy and facilities available. The Class A

⁵ Basin Electric serves Tri-State’s full requirements in the Eastern Interconnection. In the Western Interconnection, Tri-State buys a fixed amount of power from Basin Electric through a firm Contract Rate of Delivery.

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Members' total cost of electric service reflects the cost of power from a variety of sources, including (1) firm power purchases from other power suppliers (primarily WAPA); (2) power purchases from Basin Electric pursuant to the wholesale power contracts; and (3) in the case of Tri-State, power generated by its own resources.

All of Basin Electric's wholesale power contracts with its eighteen Class A Members extend through 2075, with the exception of the wholesale power contracts with Tri-State, Minnesota Valley Electric Cooperative, and Wright-Hennepin Cooperative Electric Association, which extend through 2050. After maturity in 2050 or 2075, as applicable, these contracts remain in effect until terminated by either party giving the contractually required notice of its intention to terminate. Some of Basin Electric's Class A Members are themselves wholesale cooperatives like Basin Electric, and with very limited exceptions, the wholesale power contracts they have with their members expire in 2075 and beyond.

Each Class A Member is required to pay Basin Electric for capacity and energy furnished under its wholesale power contract with Basin Electric in accordance with Basin Electric's established rates. Basin Electric's wholesale power contracts with its Class A Members provide that the Basin Electric Board will establish rates to produce revenue sufficient, but no more than what is sufficient, together with all of Basin Electric's other revenue to: (1) pay the cost of operation and maintenance of all of Basin Electric's generation, transmission and related facilities; (2) pay the cost of capacity and energy purchased by Basin Electric for resale; (3) pay the cost of transmission services; (4) pay the cost of lease payments; (5) pay interest expense and depreciation expense or principal payments; and, (6) provide for the establishment and maintenance of reasonable financial reserves. The wholesale power contracts require the Basin Electric Board to review the rates at least annually and to revise the rates as necessary to produce revenue as described above. As part of that annual review process, Basin Electric provides the Class A Member managers an opportunity to provide feedback concerning the rates and takes that feedback into consideration when setting the final rates.

2. Basin Electric serves approximately three million customers in nine states.

Basin Electric is the largest G&T cooperative in the United States in terms of land area served. With its G&T Members, Basin Electric provides wholesale electric service for 141 rural electric and small municipal electric systems in nine states: Colorado, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, South Dakota, and Wyoming. Together, Basin Electric's Members' systems serve approximately three million member-consumers in the Eastern Interconnection and the Western Interconnection.

Basin Electric provides capacity and energy either directly or indirectly to retail distribution utilities that serve the electric requirements of the farms, ranches, rural homes, and businesses in its service area. The service provided by the distribution cooperatives ranges from remote stock-watering facilities on the cattle ranges of Wyoming and Montana to new industrial installations on the outskirts of metropolitan centers in the region. *See* the map in Attachment A.

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The majority of the Class A Members have service areas in the agricultural regions in the Dakotas, northwestern Iowa, and southwestern Minnesota. Members 1st Power Cooperative serves a 16,200 square mile area of northeastern Wyoming and southern Montana. East River Electric Power Cooperative, Inc. (“East River”) serves the agricultural regions of eastern South Dakota and western Minnesota. Tri-State, located in Colorado, serves distribution cooperatives in Colorado, Wyoming, New Mexico, and western Nebraska. The geographic features of the Tri-State service area range from portions of the upper Rockies to the rolling range and farm country of Colorado, New Mexico, and western Nebraska. Upper Missouri G. & T. Electric Cooperative Inc. (“Upper Missouri”), headquartered in Montana, and Central Power, headquartered in North Dakota, serve distribution cooperatives in the oil fields of the upper Missouri River regions of North Dakota and Montana, which include, with respect to Upper Missouri, portions of the Bakken oil development region. Corn Belt Power Cooperative (“Corn Belt”), headquartered in Humboldt, Iowa, is a G&T cooperative with nine distribution members and one municipal electric cooperative member.

3. Basin Electric has power supply resources in four planning areas.

Basin Electric’s power supply resources are comprised of generating facilities that Basin Electric owns, leases, or has undivided ownership interests in, and contractual power purchase agreements. Basin Electric currently owns or operates, directly or indirectly, approximately 4,200 megawatts (“MW”) of generating capacity. Basin Electric owns or leases an interest in eight base load coal-fired generating units, two oil-fired generating units, twenty gas-fired combustion turbine generating units, one combined-cycle generating unit, twelve natural gas-based reciprocating engines, one dual fuel (natural gas and oil) combustion turbine, and 191 wind-powered turbines.

Basin Electric also has a variety of purchase agreements that supply Basin Electric with approximately 2,650 MW of power, including 370 MW from its Class A Member Corn Belt, and several wind farms. Through various power purchase agreements that are coterminous with its wholesale power contract with Basin Electric, Corn Belt sells to Basin Electric, at its cost, all of its generation output while continuing to maintain ownership of its generation assets. Basin Electric, in turn, blends the cost of the operation of these facilities with Basin Electric’s costs and sells power to Corn Belt at the Class A rate plus a specified adder. The adder is for a fifteen-year term through 2024.

Altogether, Basin Electric operates approximately 5,200 MW of electric generating capacity and has approximately 6,800 MW of capacity in its generation portfolio. Those resources are located in four power supply planning areas: Western Electricity Coordinating Council-Northwest Power Pool (“WECC-NWPP”), Western Electricity Coordinating Council-Rocky Mountain Power Area (“RMPA”), Southwest Power Pool, Inc. (“SPP”), and Midcontinent Independent System Operator, Inc. (“MISO”).

4. Basin Electric owns and leases transmission facilities in four areas.

Basin Electric provides service to its Members located in both the Eastern Interconnection and the Western Interconnection using its electric transmission facilities, which

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include approximately 2,400 miles of electric transmission lines and equipment located in eighty-two switchyards. The transmission facilities that Basin Electric owns are located in three separate areas: (1) SPP; (2) the Common Use System; and (3) the Missouri Basin Power Project (“MBPP”). Basin Electric also leases certain transmission facilities from its Members. Those facilities are located in SPP and MISO.

a. SPP

On October 1, 2015, Basin Electric joined SPP as a Transmission Owner, and placed all of its transmission facilities in the Eastern Interconnection under the functional control of SPP.⁶ SPP is a Commission-approved Regional Transmission Organization (“RTO”).⁷ It is an Arkansas non-profit corporation with its principal place of business in Little Rock, Arkansas. Including Basin Electric, SPP has ninety-seven members: sixteen investor-owned utilities, fourteen municipal systems, twenty generation and transmission cooperatives, eight state agencies, fourteen independent power producers, twelve power marketers, eleven independent transmission companies, one federal agency, and one large retail customer. As an RTO, SPP administers open access transmission service over approximately 66,500 miles of transmission lines covering portions of Arkansas, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming, across the facilities of SPP’s Transmission Owners,⁸ and administers the Integrated Marketplace, a centralized day ahead and real-time energy and operating reserve market with locational marginal pricing and market-based congestion management.⁹

The SPP Tariff¹⁰ specifies a Zonal Annual Transmission Revenue Requirement (“ATRR”) for each SPP transmission Zone. Transmission service rates to support the load located within a particular SPP Zone are based, in part, on the sum of the ATRRs for all Transmission Owners within the Zone in which the load is located.¹¹ The Zonal ATRR is just one of the ATRRs that comprise the total ATRR for transmission facilities to be collected from customers within a Zone. Other ATRRs collected from customers within a Zone include SPP’s Base Plan Zonal ATRR and Region-wide ATRRs. The Zonal ATRR for each pricing Zone used in the calculation of Network Integration Transmission Service (“NITS”) charges is set out in Attachment H of the SPP Tariff. The rates for Point-To-Point Transmission Service (“PTP”),

⁶ *Sw. Power Pool, Inc.*, 149 FERC ¶ 61,113 (2014), *order on reh’g and clarification*, 153 FERC ¶ 61,051 (2015).

⁷ *Sw. Power Pool, Inc.*, 109 FERC ¶ 61,009 (2004), *order on reh’g*, 110 FERC ¶ 61,137 (2005).

⁸ *See Sw. Power Pool, Inc.*, 89 FERC ¶ 61,084 (1999); *Sw. Power Pool, Inc.*, 86 FERC ¶ 61,090 (1999); *Sw. Power Pool, Inc.*, 82 FERC ¶ 61,267, *order on reh’g*, 85 FERC ¶ 61,031 (1998).

⁹ *Sw. Power Pool, Inc.*, 146 FERC ¶ 61,130 (2014) (order approving the start-up and operation of the Integrated Marketplace effective March 1, 2014).

¹⁰ Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1 (“SPP Tariff”).

¹¹ *See* SPP Tariff at Schedules 7-9.

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which are based on the Zonal ATRR in Attachment H, are set forth in Attachment T of the SPP Tariff. Each Transmission Owner controls the filing of its PTP rate and ATRR. SPP, in turn, as administrator of the SPP Tariff, makes the filings necessary to incorporate any such rate and ATRR in the SPP Tariff.¹² Basin Electric's ATRR is included in pricing Zone 19.

Certain of Basin Electric's Members in the Eastern Interconnection also have elected to include in SPP their transmission facilities qualifying as "Transmission Facilities" within the meaning of the SPP Tariff.¹³ However, Basin Electric remains the market participant in SPP on behalf of any such Members in the Eastern Interconnection that elect to include their qualifying transmission facilities in SPP.

b. Common Use System

The Common Use System is a joint transmission system Basin Electric participates in with Black Hills Power, Inc. ("Black Hills Power"), and Powder River Energy Corporation ("PRECorp"). Basin Electric, Black Hills Power, and PRECorp filed a joint-open access transmission tariff ("Joint Tariff") with the Commission that provides transmission service over the combined 230 kilovolt ("kV") and limited 69 kV transmission facilities within southwestern South Dakota and northeastern Wyoming.¹⁴ The Joint Tariff also provides for the transmission service associated with the Rapid City DC Tie.

c. MBPP

The MBPP is a jointly owned public power project consisting of the Laramie River Station, the Grayrocks dam and reservoir, and associated high voltage transmission facilities. The Laramie River Station consists of three coal-fired steam electric generating units. Two of the three generating units are connected in the Western Electric Coordinating Council ("WECC") planning area. The MBPP consists of 233.19 miles of 345 kV transmission lines on the Eastern Interconnection and 283.8 miles of 345 kV and 139.97 miles of 230 kV transmission lines on the Western Interconnection.

¹² See *Westar Energy, Inc.*, 122 FERC ¶ 61,268, at P 105 (2008) (requiring SPP to include each transmission owner's rate formula in the SPP Tariff).

¹³ Basin Electric Members in SPP include: East River; Corn Belt and the following cities: Algona Municipal Utilities, Alta Municipal Utilities, Bancroft Municipal Utilities, Coon Rapids Municipal Utilities, Graettinger Municipal Light Plant, Laurens Municipal Power, Milford Municipal Utilities, New Hampton Municipal Light Plant, Spencer Municipal Utilities, West Bend Municipal Utilities, Grundy Center Municipal Utilities, and Sumner Municipal Light Plant; Northwest Iowa Power Cooperative; Central Power Electric Cooperative, Inc.; Tri-State; Mountrail-Williams Electric Cooperative; and Mor-Gran-Sou Electric Cooperative.

¹⁴ The Joint Tariff was initially filed in 2003. Black Hills Power, Inc., Joint Open Access Transmission Tariff, Docket No. ER03-1354-000 (filed Sept. 16, 2003) (amended Sept. 23, 2003 and Dec. 19, 2003); *Black Hills Power, Inc.*, 106 FERC ¶ 61,119 (2004). Revisions to the Joint Tariff were most recently accepted in *Black Hills Power, Inc.*, 151 FERC ¶ 61,147 (2015).

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The MBPP is jointly owned by five utilities – Basin Electric, Tri-State, the City of Lincoln, Nebraska, Wyoming Municipal Power Agency, and the Western Minnesota Municipal Agency.¹⁵ Each utility has joint undivided ownership rights. Basin Electric, Wyoming Municipal Power Agency, and Tri-State have joint undivided scheduling rights to the generation located within the Western Interconnection. These scheduling rights include the undivided joint use of the transmission facilities for delivery of the MBPP generation. In addition, the owners of Laramie River Station have the right to use the capacity on a seventy-three-mile 230 kV line owned by Tri-State, running from Stegall to Sidney, Nebraska. Major substation and switching facilities were constructed at Laramie River Station and Dave Johnston Power Station in Wyoming, at the Stegall and Sidney substations in Nebraska, and at the Story and Ault substations in Colorado.

Basin Electric has an approximately forty-two percent undivided ownership share in the MBPP. Basin Electric has a corresponding ownership right in the MBPP transmission facilities. Over eighty percent of the generation from Basin Electric’s MBPP entitlement currently is delivered in the Western Interconnection. Transmission service over Basin Electric’s entitlement share of the MBPP Western Interconnection facilities will be governed by the Tariff.

d. MISO

Basin Electric leases certain transmission facilities from its Members and serves as the Transmission Customer on their behalf in MISO. Basin Electric leases these facilities in part because they are eligible to receive revenue credits under section 30.9 of the MISO Tariff.¹⁶ It has transferred functional control over the leased facilities to MISO.¹⁷

5. Basin Electric has three subsidiaries.

Basin Electric has three subsidiaries: Basin Cooperative Services (“Cooperative Services”), Dakota Coal Company (“Dakota Coal”) and Dakota Gasification Company (“Dakota Gas”). Cooperative Services is a cooperative that was established in 1981. It performs certain nonutility management services for Basin Electric, including owning and managing certain real property interests for Basin Electric. Basin Electric is the only member of Cooperative Services.

Dakota Coal supplies lignite coal to Basin Electric for use at Antelope Valley Station and Leland Olds Station and to Dakota Gas for use at the Great Plains Synfuels Plant (the “Synfuels Plant”). In addition, Dakota Coal and Montana Limestone Company, a wholly-owned subsidiary of Dakota Coal, supply lime and limestone to Basin Electric for use at Antelope Valley Station, Laramie River Station, and Leland Olds Station and also to others.

¹⁵ In addition to being a joint owner, Basin Electric also is the Operating Agent for the MBPP. As the Operating Agent, Basin Electric is responsible for the operation and maintenance of the MBPP.

¹⁶ See *Midcontinent Indep. Sys. Operator, Inc.*, 161 FERC ¶ 61,173 (2017); see also *Midcontinent Indep. Sys. Operator, Inc.*, Revenue Sharing Agreement, Docket No. ER17-2359-000 (filed Aug. 25, 2017), *accepted by* Letter Order, Docket No. ER17-2359-000 (issued Oct. 19, 2017).

¹⁷ *Id.*

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Dakota Gas owns and operates the Synfuels Plant, through which it produces and sells synthetic natural gas and other products of the coal gasification process. These byproducts and coproducts include phenol, anhydrous ammonia, ammonium sulfate, carbon dioxide, crude cresylic acid, krypton/xenon gases, liquid nitrogen, naphtha, tar oil, urea and diesel exhaust fluid. The coproducts and byproducts provide Dakota Gas some flexibility to switch the production of products or boiler fuel based on market prices and demand. Dakota Gas is Basin Electric's largest non-member customer. For 2019, Basin Electric projects Dakota Gas will purchase approximately 141 MW of capacity and energy from Basin Electric.

B. REASON FOR FILING

Basin Electric will become subject to the Commission's jurisdiction on the earlier of the date on which: (1) it admits a Class A Member that does not qualify under FPA section 201(f) for an exemption from Commission regulation or (2) an existing Class A Member ceases to qualify for such an exemption. As explained below, Basin Electric anticipates that both of these events will occur in November 2019.

First, Basin Electric has readmitted Tri-State as a Class A Member effective November 1, 2019 pursuant to the Basin Electric Board resolution made on September 8, 2019 (*see* Attachment B). On July 23 and 26, 2019, Tri-State submitted filings to the Commission in Docket Nos. ER19-2440, -2441, -2442, -2443, -2444, -2470, and -2474.¹⁸ In these filings, Tri-State indicated that it would no longer qualify for an exemption from Commission regulation under the FPA because it would be admitting a new member on or after September 22, 2019.¹⁹ At the time it submitted these filings, Tri-State was a Class A Member of Basin Electric. On August 29, 2019, Tri-State informed Basin Electric that it planned to admit the new member earlier than anticipated. After management discussions, Basin Electric and Tri-State agreed that Tri-State would withdraw its membership in Basin Electric before Tri-State admitted the new

¹⁸ See Tri-State Generation and Transmission Association, Inc., Initial Rate Filing of FERC Electric Tariff Volume No. 1, Docket No. ER19-2440-000 (filed Jul. 23, 2019); Tri-State Generation and Transmission Association, Inc., Open Access Transmission Tariff FERC Electric Tariff Volume No. 2, Docket No. ER19-2441-000 (filed Jul. 23, 2019 and refiled Jul. 26, 2019) ("TSGT OATT Filing"); Tri-State Generation and Transmission Association, Inc., Application for Market-Based Rate Authority and Certain Waivers and Blanket Authorizations, Docket No. ER19-2442-000 (filed Jul. 23, 2019); Thermo Cogeneration Partnership, L.P., Application for Market-Based Rate Authority and Certain Waivers and Blanket Authorizations, Docket No. ER19-2443-000 (filed Jul. 23, 2019); Tri-State Generation and Transmission Association, Inc., Initial Filing of Rate Schedules FERC No. 1 through No. 43 (Wholesale Electric Service Contracts), Docket No. ER19-2444-000 (filed Jul. 23, 2019); Tri-State Generation and Transmission Association, Inc., Compliance Filing for Order No. 845 Reform of Generator Interconnection Procedures and Agreements, Docket No. ER19-2470-000 (filed Jul. 26, 2019) ("TSGT LGIP Filing"); Tri-State Generation and Transmission Association, Inc., Initial Filing of Service Agreements, Docket No. ER19-2474-000 (filed Jul. 26, 2019). Related filings also were submitted in two other dockets: Tri-State Generation and Transmission Association, Inc., Application for Authorization to Issue Short- and Long-Term Debt and to Guaranty Obligations, Docket No. ES19-48-000 (filed Aug. 9, 2019); Application of Donald G. Keairns for Authorization to Hold Interlocking Directorate Positions, Docket No. ID-8750 (filed Jul. 23, 2019).

¹⁹ *Id.*

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member and that Tri-State would be free to reapply for membership in Basin Electric at a later date. On September 3, 2019, in anticipation of Tri-State's admission of a new member later that day, Tri-State withdrew its membership in Basin Electric to allow Basin Electric more time to prepare certain filings required under the FPA and under the Commission's regulations.²⁰ On September 3, 2019, Tri-State informed the Commission of its admission of Mieco, Inc. as a new member.²¹ On September 6, 2019, Tri-State applied for readmission as a Class A Member to be effective November 1, 2019. On September 8, 2019, the Basin Electric Board approved Tri-State's application (*see* Attachment B).²²

Second, Basin Electric anticipates that a Class C Member that does not hold any Rural Utilities Service ("RUS") debt will have sold more than four million megawatt-hours ("MWh") of electricity by the end of November 2019. As a result, the Class A Member to which that Class C Member belongs will no longer be wholly owned by entities that qualify under section 201(f) for an exemption from Commission regulation. After learning of Tri-State's decision to admit a new member such that it no longer would qualify for an exemption under FPA section 201(f), Basin Electric reviewed the metering data for all other Members that do not hold RUS debt. Based on this review, conversations with its Class A Member Upper Missouri, and based on Upper Missouri's filings in Docket Nos. ER19-2818-000, ER19-2820-000, and ER19-2821-000,²³ Basin Electric anticipates that a Class C Member (which is a member of Basin Electric Class A Member Upper Missouri) will exceed the four million MWh threshold specified in FPA section 201(f) by the end of November 2019.²⁴ However, Basin Electric cannot predict this date with certainty.

²⁰ At the same time it withdrew its membership in Basin Electric, Tri-State reconfirmed all of its contractual obligations to Basin Electric.

²¹ Tri-State Generation and Transmission Association, Inc., Notice of New Member and Request for Partial Waiver of Tri-State Generation and Transmission Association, Inc., Docket Nos. ER19-2440-000, ER19-2441-000, ER19-2441-001, ER19-2442-000, ER19-2443-000, ER19-2444-000, ER19-2444-001, ER19-2470-000, ER19-2474-000 (filed Sept. 3, 2019).

²² The Basin Electric Board accepted and approved Tri-State's application for readmission as a Class A Member with a November 1, 2019 effective date to allow both Tri-State and the members of Tri-State that are Class C Members of Basin Electric to fully participate in the Basin Electric Annual Meeting, which will be held on November 6, 2019.

²³ Upper Missouri G. & T. Electric Cooperative, Inc., Initial Rate Filing of FERC Electric Tariff Vol. No. 1 (Formula Rate Template), Docket No. ER19-2818-000 (filed Sept. 16, 2019); Upper Missouri G. & T. Electric Cooperative, Inc., Initial Filing of Rate Schedules FERC Nos. 1 through No. 11 (Wholesale Electric Service Contracts), Docket No. ER19-2820-000 (filed Sept. 16, 2019); and Upper Missouri G. & T. Electric Cooperative, Inc., Request of Upper Missouri G. & T. Electric Cooperative, Inc. for Waiver of Open-Access Requirements, Docket No. ER19-2821-000 (filed Sept. 16, 2019).

²⁴ Based on the Upper Missouri filings mentioned above, Basin Electric anticipates that this will occur sometime in mid-November. In its filings, Upper Missouri states that it "expects that one of its Member-Owners that is not an RUS borrower will have sales of electric energy that exceed 4 million MWh per year on or about [November 15, 2019]." *See, e.g.*, Upper Missouri G. & T. Electric Cooperative, Inc., Initial Rate Filing of

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When (1) Basin Electric admits a Class A Member that does not qualify under FPA section 201(f) for an exemption from Commission regulation or (2) an existing Class A Member ceases to qualify for such an exemption, Basin Electric also will cease to qualify for such an exemption. This is because Basin Electric currently is exempt from Commission regulation under FPA section 201(e), including regulation under FPA sections 205 and 206, because Basin Electric is not a “public utility” as that term is defined in FPA section 201(e) by virtue of section 201(f). FPA section 201(f)²⁵ provides that:

No provision in this subchapter shall apply to, or be deemed to include, the United States, a State or any political subdivision of a State, an electric cooperative that receives financing under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) or that sells less than 4,000,000 megawatt hours of electricity per year, or any agency, authority, or instrumentality of any one or more of the foregoing, or ***any corporation which is wholly owned, directly or indirectly, by any one of more of the foregoing***, or any officer, agent, or employee of any of the foregoing acting as such in the course of his official duty, unless such provision makes specific reference thereto.

In other words, “an electric cooperative is not subject to Commission regulation if the cooperative: (1) has outstanding RUS debt; (2) sells less than 4,000,000 MWh of electricity per year; or (3) is wholly owned by entities that are themselves exempt under [FPA section 201(f)].”²⁶ Basin Electric no longer has any RUS debt. However, as of the date of this filing, Basin Electric’s Member-owners are public power districts, electric cooperatives that have RUS debt, or electric cooperatives that sell less than four million MWh of electricity per year.²⁷ As a result, because each of its owners currently is exempt from the FPA pursuant to FPA section 201(f), Basin Electric also is an exempt utility according to the statute, because it is wholly owned by exempt utilities.

Because Basin Electric does not hold RUS debt and sells over four million MWh of electricity per year, when either of the aforementioned events occurs, Basin Electric no longer will be wholly owned by exempt entities. As a result, it must submit certain filings to ensure it is

FERC Electric Tariff Vol. No. 1 (Formula Rate Template), Docket No. ER19-2818-000, at 2 (filed Sept. 16, 2019).

²⁵ 16 U.S.C. § 824(f) (emphasis added).

²⁶ *Delta-Montrose Elec. Ass’n*, 151 FERC ¶ 61,238, at P 26 (2015).

²⁷ After learning of Tri-State’s decision to admit a new member and the ramifications for Basin Electric, Basin Electric reviewed the amount of electricity sales made by each of its Members that no longer have outstanding RUS debt. Through this review, Basin Electric learned that a Class C Member likely would exceed the four million MWh per year threshold in November or December of 2019.

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in compliance with the FPA and the Commission's rules and regulations. This filing is one of several that Basin Electric is submitting concurrently to ensure its compliance.

II. FILING

A. DESCRIPTION OF BASIN ELECTRIC'S TARIFF AND VARIATIONS FROM THE PRO FORMA TARIFF

Basin Electric's proposed Tariff is based on the Order No. 890²⁸ *pro forma* Open Access Transmission Tariff ("*pro forma* OATT"), with revisions to address its status as an electric cooperative, the unique nature of Basin Electric's entitlement share over the MBPP facilities covered by the Tariff (the "Transmission System"), and the fact that Basin Electric does not administer its own Tariff. Basin Electric submits that its proposed Tariff, including those deviations from the Commission's *pro forma* OATT, is just and reasonable and should be approved. Basin Electric provides further detail regarding and support for its proposed Tariff, below.

1. Basin Electric's Tariff governs service over Basin Electric's facilities in the Western Interconnection.

As described above, Basin Electric is a participant in the MBPP,²⁹ which consists of three coal-fired steam electric generating units and associated transmission facilities. The MBPP consists of five utilities and is owned jointly by all participants through joint undivided ownership rights. Two of the three generating units are connected in the WECC planning area. Basin Electric, Wyoming Municipal Power Agency, and Tri-State have joint undivided scheduling rights to the generation located within the Western Interconnection. These scheduling rights include the undivided joint use of the transmission facilities for delivery of the MBPP generation.

The transmission facilities constituting the Transmission System covered by Basin Electric's proposed Tariff consist of Basin Electric's entitlement share of the MBPP transmission facilities.³⁰ Specifically, Basin Electric's Transmission System for purposes of the Tariff is its

²⁸ *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 ("Order No. 890"), *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228 (2009).

²⁹ Participation in the MBPP is governed by the Missouri Basin Power Project Laramie River Electric Generating Station and Transmission System Participation Agreement (the "MBPP Participation Agreement"), which is being submitted to the Commission concurrently with this filing.

³⁰ Basin Electric is converting its rights under the MBPP Agreement to reservations under the proposed Tariff. Because this will be a conversion of existing service to service under the proposed Tariff, those reservations will not be treated as requests for new firm transmission service under Tariff section 2.1.

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entitlement share of the following facilities located in the Western Interconnection: (i) the 345 kV transmission line from the Laramie River Station at Wheatland, Wyoming to the Story substation in Colorado; (ii) the 345 kV transmission line from the Laramie River Station to the Ault substation in Colorado; (iii) the 230 kV transmission line from the Laramie River Station to the Dave Johnston substation in Wyoming; (iv) the 230 kV transmission line from the Laramie River Station to the Stegall substation in Nebraska; and (v) the 230 kV transmission line from the Stegall substation to the Sidney substation in Nebraska. Attachment C is a map of Basin Electric's transmission facilities that are included in the Tariff. Basin Electric currently provides service over these facilities under its existing non-jurisdictional Tariff, which the Commission found to be an acceptable reciprocity tariff in Docket No. NJ00-7-000.³¹

Under the terms of the MBPP Participation Agreement, Basin Electric is also the Operating Agent for the MBPP. As the Operating Agent, Basin Electric is responsible for the operation and maintenance of the MBPP. Basin Electric's proposed Tariff, however, is only relevant to Basin Electric's role as an MBPP participant; it is unrelated to Basin Electric's role as the Operating Agent.

Basin Electric's proposed Tariff does not include Basin Electric's transmission facilities located in the Eastern Interconnection or its other, non-MBPP facilities located in the Western Interconnection. As described above, Basin Electric's transmission facilities in the Eastern Interconnection are under the functional control of SPP, and transmission over the Common Use System is provided for under the Joint Tariff.

2. Basin Electric's Tariff is administered by WAPA-RMR.

Basin Electric does not operate its own control area or its own Open Access Same-Time Information System ("OASIS"). It also does not have the capabilities in-house to administer real-time transmission system operations. Instead, Basin Electric's Transmission System is included on the OASIS operated by WAPA-Rocky Mountain Region ("WAPA-RMR"). WAPA-RMR currently administers all aspects of Basin Electric's non-jurisdictional tariff except for applications for long-term point-to-point transmission service and network transmission service. Basin Electric retains the responsibility for evaluating those applications because it, and not WAPA-RMR, maintains the relevant information on Basin Electric's long-term load and resource projections and transmission planning. WAPA-RMR will continue to act as the Tariff Administrator³² under Basin Electric's proposed jurisdictional Tariff.

³¹ See *Basin Elec. Power Coop., Inc.*, 102 FERC ¶ 61,253 (2003).

³² Except as otherwise provided herein, capitalized terms in this filing shall have the same meaning as set forth in the Tariff and its Attachments, where applicable.

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3. Basin Electric's Proposed Variations from the *Pro Forma* Tariff are consistent with or superior to the provisions of the Commission's *pro forma* OATT.

In Order No. 890, the Commission explained that deviations from the *pro forma* OATT will be reviewed based on the requirement that they be “consistent with or superior to” the *pro forma* OATT.³³ The Commission has stated that it “will only find that deviations from the *pro forma* OATT are just and reasonable if the filing party explains how the deviations in the proposed OATT are consistent with or superior to the *pro forma* OATT, or fully explains how the *pro forma* provisions are not applicable given the filing party's business model.”³⁴ This determination is made “on a case-by-case basis” and requires that the transmission provider “explain and support the deviations sufficiently.”³⁵ The Commission frequently exercises its discretion to accept deviations from the *pro forma* OATT.³⁶

Basin Electric's proposed Tariff is based on the Commission's *pro forma* OATT, with revisions that fall into five general categories: (1) revisions addressing Basin Electric's status as an electric cooperative and the particulars of its business model; (2) revisions reflecting the fact that Basin Electric's Tariff is administered by WAPA-RMR; (3) revisions to account for Basin Electric's joint ownership in the MBPP facilities; (4) revisions to insert language where directed by the *pro forma* OATT; and (5) other ministerial changes. The differences between Basin Electric's Tariff and the *pro forma* OATT are described and supported in Attachment E. Basin Electric's proposed revisions to the *pro forma* OATT are just and reasonable. The deviations from the *pro forma* OATT are generally superior to the *pro forma* OATT because they more accurately reflect the reality of Basin Electric's business structure and the nature of its Transmission System. Further, Basin Electric's proposed Tariff accounts for the arrangement between Basin Electric and WAPA-RMR, which was not otherwise accomplished by the *pro forma* OATT.

³³ Order No. 890 at P 137 (“We continue to believe that use of the ‘consistent with or superior to’ standard is appropriate when reviewing variations from the *pro forma* OATT”).

³⁴ *Sagebrush, a California Partnership*, 130 FERC ¶ 61,093, at P 26 (2010); *see also Montana Alberta Tie Ltd.*, 116 FERC ¶ 61,071, at PP 55-60 (2006).

³⁵ *Louisville Gas and Elec. Co.*, 161 FERC ¶ 61,175, at P 40 (2017).

³⁶ *See, e.g., South Central MCN LLC*, 164 FERC ¶ 61,114, at P 19 (2018) (finding “[m]ultiple provisions of the South Central OATT deviate from the *pro forma* OATT,” and “South Central has demonstrated that its proposed OATT is consistent with or superior to the *pro forma* OATT”); *Sagebrush*, 130 FERC ¶ 61,093, at PP 26-32 (finding that “the differences from the *pro forma* OATT . . . should be allowed” where it was “demonstrated that the accepted proposed modifications are reasonable”); and *United States Department of Energy – Bonneville Power Administration*, 128 FERC ¶ 61,057, at P 48 (2009) (“*Bonneville*”) (accepting a tariff that differed from the *pro forma* OATT because “it is reasonable and beneficial to [the transmission provider's] customers”).

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Basin Electric highlights some of the key differences between the proposed Tariff and the *pro forma* OATT and provides support for those differences below.

a. Definitions

Basin Electric proposes revisions to certain of the definitions included in the *pro forma* OATT to reflect information specific to Basin Electric and its Transmission System. Among other newly-proposed and revised definitions, Basin Electric proposes revisions to the following:

i. Affiliate

Basin Electric has revised the definition of Affiliate to reflect that the Commission does not consider a cooperative's members as Affiliates because "there is no potential danger of shifting benefits from the ratepayers to the shareholders."³⁷

ii. Tariff Administrator

Basin Electric has added a definition of "Tariff Administrator." As described above, WAPA-RMR is the entity responsible for administering the Tariff, and will administer the OASIS on which Basin Electric's Transmission System is included. Basin Electric proposes to include a definition of Tariff Administrator to reflect WAPA-RMR's (or any successor Tariff Administrator's) role in administering the Tariff. Basin Electric has also added a new Attachment S that identifies the current Tariff Administrator. The Commission has previously accepted revisions to the *pro forma* OATT to accommodate the arrangement between the transmission provider and a tariff administrator.³⁸

iii. Transmission Provider

Basin Electric has revised the definition of Transmission Provider to reflect that it should refer to both Basin Electric and the Tariff Administrator. This revision ensures that any reference to the Transmission Provider will also reference WAPA-RMR or any successor Tariff Administrator. Revising the definition of Transmission Provider to reference both Basin Electric and the Tariff Administrator avoids the numerous edits that would otherwise be required throughout the Tariff to reflect that WAPA-RMR (or any successor Tariff Administrator), rather

³⁷ *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, FERC Stats. & Regs. ¶ 31,252, at P 526, *order clarifying final rule*, 121 FERC ¶ 61,260 (2007), *order on reh'g*, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268 (2008), *order on clarification*, 124 FERC ¶ 61,055 (2008), *order on clarification*, Order No. 697-B, FERC Stats. & Regs. ¶ 31,285 (2008), *order on reh'g*, Order No. 697-C, FERC Stats. & Regs. ¶ 31,291 (2009), *order on reh'g and clarification*, Order No. 697-D, FERC Stats. & Regs. ¶ 31,305 (2010), *order on clarification*, 131 FERC ¶ 61,021 (2010) ("Order No. 697").

³⁸ *See Sagebrush*, 130 FERC ¶ 61,093, at P 28 ("[W]e find Sagebrush's proposal to establish an OATT administrator to serve as its agent for purposes of implementing the provisions of the OATT to be acceptable in this situation. This provision will serve to help facilities coordination between Sagebrush's multiple partners, as well as in calculating ATC, completing system impact studies for transmission service requests, and coordinating interconnection service, operations, maintenance, and expansion of the Sagebrush Line").

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than Basin Electric, administers the Tariff and takes on many of a transmission provider's obligations under the *pro forma* OATT.

b. Penalty Provisions

Basin Electric has added penalty provisions to Section 3 (Ancillary Services); Section 13.6 (Curtailement of Firm Point-To-Point Transmission Service); Section 13.7 (Classification of Firm Point-To-Point Transmission Service); Section 14.5 (Classification of Non-Firm Point-To-Point Transmission Service); Section 14.7 (Curtailement or Interruption of Service); and Section 33.7 (System Reliability) of its Tariff. Basin Electric's proposed penalty provisions are the same as those included in the SPP Tariff.

The Commission has held that a transmission provider must "provide adequate support for the precise level of penalties as being sufficient to discourage inappropriate practices without being exorbitant or exploitative."³⁹ Basin Electric's proposed penalty provisions allow Basin Electric to collect applicable charges plus a penalty equal to 100% of such applicable charges⁴⁰ or, for ancillary services under Section 3, a penalty of 200% of the applicable charge.⁴¹ The Commission will accept "penalty provisions as long as they are capped at a level equal to twice the standard rate for the service at issue," and directed "companies whose penalty provisions exceed this cap to revise their compliance tariffs accordingly."⁴² Because Basin Electric's proposed penalties impose on a customer only the applicable charge plus 100% (or, for Section 3, a total penalty of 200% of the applicable charge), Basin Electric's proposed penalties do not exceed the cap that the Commission determined "prevent[s] the imposition of excessive penalties."⁴³ Basin Electric requests that the Commission accept these provisions as superior to its *pro forma* OATT, which does not include penalty provisions to otherwise "discourage inappropriate practices."⁴⁴

c. Commonly-Owned Facilities

Basin Electric added a new Section 13.9, entitled "Commonly-Owned Facilities," to its Tariff to address that the Tariff covers facilities jointly owned with other entities. Section 13.9

³⁹ *Sierra Pac. Power Co.*, 92 FERC ¶ 61,179, at 61,627-28 (2000); *see also Midwest Indep. Trans. Sys. Operator, Inc.*, 103 FERC ¶ 61,282, at P 24 (2003).

⁴⁰ *See* Attachment D at Sections 13.6, 13.7, 14.5, 14.7, and 33.7.

⁴¹ *See id.* at Section 3.

⁴² *Allegheny Power Systems, Inc.*, 80 FERC ¶ 61,143, at 61,545-46 (1997), *order on reh'g*, 85 FERC ¶ 61,235 (1998); *see also American Elec. Power Co.*, 85 FERC ¶ 61,201, at 61,824 (1998) (finding that a "penalty of two times the applicable transmission charge for failure to respond to a curtailment directive or for exceeding a point-to-point reservation" "is consistent with the Commission's policy of allowing penalty provisions that are capped at twice the standard transmission rate for the service at issue").

⁴³ *Allegheny Power Systems*, 80 FERC ¶ 61,143, at 61,546.

⁴⁴ *Sierra Pac. Power*, 92 FERC at 61,627-28.

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provides that the Tariff shall not adversely affect the rights of any entity that owns or operates any transmission facilities included within the Transmission System. This section is necessary because Basin Electric jointly owns several facilities, and the joint owners previously expressed concern that their rights to use their share of the facilities might be affected by the provision of open access service by Basin Electric over its entitlement share of the same facilities. Including this deviation in Basin Electric's Tariff renders it superior to the *pro forma* OATT because it ensures that the Tariff will not affect the rights of the other MBPP Participants over their respective entitlement shares of the project, which is not accomplished through application of the unrevised *pro forma* OATT. The Commission has previously accepted this provision as part of Basin Electric's non-jurisdictional tariff, finding that "the proposed terms and conditions of Basin Electric's tariff substantially conform with or are superior to the *pro forma* tariff."⁴⁵

d. Complete Path from Source to Sink

Section 16.1(c) of the *pro forma* OATT requires only that there be a complete path from the source to the Transmission Provider, but it does not require that there be a complete path from the source to the sink. Therefore, Basin Electric has modified this section to require that a Transmission Customer have a complete path from the source to the sink. This revision is consistent with or superior to Section 16.1(c) of the *pro forma* OATT because, "[i]n those cases in which the systems of several transmission providers are needed to complete a single transaction," as is usually the case for service over the MBPP facilities, it is reasonable to require the transmission customer "to have made arrangements with *all* the third-party transmission providers involved in the transaction, both those that provide transmission service *prior* to [the transmission provider] and those that provide service *after* the [transmission provider]."⁴⁶ Requiring a complete path from source to sink ensures such arrangements are made.

e. Deposit Requirement

Basin Electric eliminated the deposit requirement in Section 17.3 and references to the deposit throughout the Tariff. Basin Electric has concluded that if the customer meets the creditworthiness requirements set out in Attachment L, it does not need a deposit to ensure repayment of amounts owed by the transmission customer. Eliminating the deposit requirement reduces the financial burden on the customer and reduces the administrative burden on Basin Electric. The Commission has determined that a similar waiver of the deposit requirement was "consistent with the non-rate terms and conditions of the Commission's *pro forma* tariff," noting that the revision "provide[d] greater flexibility to, and reduce[d] the administrative and financial burden on, both [the transmission provider] and its transmission customers."⁴⁷

⁴⁵ See *Basin Elec. Power Coop.*, 102 FERC ¶ 61,253 at PP 14-15 (noting Basin Electric's Section 13.9 (Commonly Owned Facilities) was added "to provide that the tariff shall not adversely affect the rights of any entity that owns or operates any transmission facilities jointly with Basin Electric").

⁴⁶ *New York State Elec. and Gas Corp.*, 78 FERC ¶ 61,114, at 61,441 (1997), *reh'g denied*, 82 FERC ¶ 61,209 (1998) ("NYSEG").

⁴⁷ *Commonwealth Edison Co. and Commonwealth Edison Co. of Indiana, Inc.*, 80 FERC ¶ 61,353, at 62,209-10 (1997).

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In lieu of the deposit requirement, Basin Electric's Tariff provides that the customer will pay the processing fee established in WAPA-RMR's tariff because WAPA-RMR will administer the Tariff. Basin Electric has added as a new Attachment N a provision for the customer to pay the application processing fee that WAPA-RMR applies to transmission customers in the Rocky Mountain Region. Requiring customers to pay the WAPA-RMR application fee is consistent with the Commission's finding that, even if a deposit is not required, the "transmission customer must still compensate [the transmission provider] for the utility's reasonable costs in evaluating the application for service."⁴⁸ A processing application fee is a reasonable cost incurred in evaluating an application.

f. Metering Equipment

Basin Electric has added in Section 24.1 a provision requiring customers to inspect their metering equipment for accuracy on at least a biennial basis and perform meter tests at the Transmission Provider's request. If the meters are inaccurate, Section 24.1 requires that they be adjusted. If the meters are determined to be registering accurately, the Transmission Provider will pay the costs of the metering equipment test. This provision is consistent with Section 24.2 of the *pro forma* OATT, which states that the transmission provider "shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement."⁴⁹ The Commission has determined that "specific meter testing and maintenance procedures" requiring customers to inspect their metering equipment meet the criterion in Section 24.2, and are thus "consistent with or superior to the *pro forma* tariff."⁵⁰

g. New and Incremental Taxes

Basin Electric has added a new Section 34.6 to the Tariff for transmission customers to pay any new and incremental taxes associated with the provision of service, including sales, excise, or other similar taxes, other than income taxes. This provision is reasonable because it ensures that Basin Electric recovers all of its transaction costs. The Commission has permitted a transmission provider to "flow through as charges to network customers certain tax liabilities," including "incremental and new" sales and excise taxes incurred by the transmission provider, and "recover, separately, [its] full annual transmission revenue requirement."⁵¹

h. Co-Supply Arrangements

Basin Electric has added a new Section 36 to the Tariff describing co-supply arrangements with Federal Power Marketing Agencies. This section allows Basin Electric and other Network Customers to continue providing supplemental power supplies to Federal Power Marketing Agencies' preference customers that use network service. This provision is necessary because it will enable co-supply arrangements to continue after Basin Electric begins providing

⁴⁸ *Id.* at 62,211.

⁴⁹ *See* Attachment D at Section 24.2.

⁵⁰ *NYSEG*, 78 FERC at 61,442.

⁵¹ *PJM Interconnection, L.L.C.*, 109 FERC ¶ 61,302, at PP 14, 23 (2004).

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jurisdictional service under the Tariff. Without this provision, Basin Electric would be unable to continue using network service to deliver power to its customers.

Basin Electric's proposed Section 36 is consistent with Section 39.3(d) of the SPP Tariff. In approving the co-supply arrangement provision in the SPP Tariff, the Commission explained that "SPP's Co-Supply Arrangement is consistent with Commission precedent . . . that it would be permissible and not inconsistent with its open access rules[] for multiple parties to each designate a portion of the same discrete load at a point of delivery for network transmission service so that preference customers' entire loads can be met using network service under an open access transmission tariff."⁵²

i. Direct Current Ties

Basin Electric proposes to add a new Section 37 to its Tariff that describes the use of its DC Ties. DC Ties are distinct from other DC transmission lines because they connect the Eastern and Western Interconnections, which cannot otherwise be bridged by transactions because the two systems are operated asynchronously. Section 37 provides that the Network Customer's Network Load at the delivery point and the Network Resource at the receipt point are equivalent to the customer's Reserved Capacity over the DC Tie. The Network Load and Network Resource must be limited by the Reserved Capacity over the DC Tie because the load served at the discrete delivery or receipt point is physically limited by the DC Tie, and the Transmission Provider does not have a parallel Alternating Current ("AC") transmission path to that delivery or receipt point. Further, because of additional unique operational characteristics of DC Ties (*e.g.*, deadbands) and their limited capacity, it is appropriate to limit the Network Load at the DC Tie terminal to the Network Customer's reserved capacity across that DC Tie. Similarly, it is appropriate to limit the amount of the Network Resources located in the other interconnection to the Network Customer's reserved capacity over the DC Tie. The revision is consistent with or superior to the *pro forma* OATT and "reasonable and beneficial to [Basin Electric's] customers"⁵³ because it is necessary to enable Basin Electric to avoid charging customers for network service in amounts greater than they are able to obtain over the DC Tie used to serve their load.

This section also is consistent with Commission-approved SPP Network Integration Transmission Service Agreements. Those Network Integration Transmission Service Agreements permit the designation of the eastern terminal of a DC Tie as a Network Load in SPP and limit the Network Load at the delivery point to the Network Customer's reserved capacity across the tie. Those Network Integration Transmission Service Agreements also permit the designation of a DC Tie as a Network Resource. *See, e.g.*, Southwest Power Pool, Inc., Basin Electric Power Cooperative Network Integration Transmission Service Agreement and Network Operating Agreement, Docket No. ER16-241-000, *et seq.* (filed Nov. 2, 2015). This is because Network Customers, including Basin Electric, have obligations to serve load in both the Eastern

⁵² *Southwest Power Pool, Inc.*, 149 FERC ¶ 61,113, at P 59 (2014), *order on reh'g and clarification*, 153 FERC ¶ 61,051 (2015); *see also Duke Power Co.*, 81 FERC ¶ 61,010, 61,047, *order deny reh'g*, 81 FERC ¶ 61,312 (1997).

⁵³ *Bonneville*, 128 FERC ¶ 61,057 at P 48.

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Interconnection and the Western Interconnection. Similarly, those Network Customers also have resources located in both the Eastern Interconnection and the Western Interconnection.

j. Ancillary Services Schedules

Basin Electric has revised the ancillary services schedules in its Tariff (Schedules 1-6 and 9) because Basin Electric is not the Control Area operator and cannot directly supply any of the ancillary services. Consequently, each of the schedules has been modified to state that the Control Area operator is WAPA's Western Area Colorado Missouri ("WACM") Control Area and that the customer must purchase the ancillary service directly from the Control Area operator or indirectly from Basin Electric. These provisions are similar to the provisions included in the tariff of Montaup Electric Company and accepted by the Commission.⁵⁴ The Commission has also allowed for complete removal of the ancillary services schedules where another entity "has traditionally provided ancillary services" and new customers were "expected to either: (1) enter into appropriate agreements for similar services" or "(2) as a new transmission customer of a transmission line within [RTO's] balancing area, elect to become a scheduling coordinator and thereby obtain ancillary services from the [RTO's] market."⁵⁵

Basin Electric has retained the provisions for the customer to make its own arrangements for Schedules 3 through 6 and Schedule 9, consistent with Order Nos. 888 and 890. This revision is appropriate because the *pro forma* provisions of the ancillary services schedules are "not applicable given . . . [Basin Electric's] business model" with regard to its Transmission System.⁵⁶

k. Losses

Basin Electric has included a new Attachment M that describes the calculation and assessment of real power losses. Because Basin Electric's facilities are operated as part of WAPA's WACM control area, Basin Electric's losses are established based on the average losses of the WAPA-RMR facilities.

l. Transmission Planning Process

In accordance with Order Nos. 890 and 1000,⁵⁷ Basin Electric has included as Attachment K to the Tariff its proposed Transmission Planning Process. Basin Electric's Transmission Planning Process includes provisions for both local and regional planning, each of which are based on other Commission-approved local and regional transmission planning processes. The Transmission Planning Process is intended to facilitate the development of

⁵⁴ Montaup Elec. Co., Rate Schedule FERC No. 7, Docket No. ER99-2469-000 (filed Apr. 13, 1999), *accepted* by Letter Order, Docket No. ER99-2469-000 (issued Aug. 2, 1999).

⁵⁵ *Sagebrush*, 130 FERC ¶ 61,093 at P 29.

⁵⁶ *Id.* at P 26.

⁵⁷ *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 136 FERC ¶ 61,051 (2011), *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132, *order on reh'g and clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *aff'd sub nom. S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014).

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electric infrastructure that maintains reliability, responds to service requests and meets load growth, and is based on the following objectives: (1) maintain reliable electric service; (2) improve the efficiency of electric system operations, including the provision of open and non-discriminatory access to its transmission facilities; and (3) identify and promote new investments in transmission infrastructure in a coordinated, open, transparent and participatory manner.

i. Local Transmission Planning Process

Basin Electric's local transmission planning process is contained in Section II of Attachment K. The local transmission planning process is based on the local transmission planning process used by Black Hills Power, Basin Electric, and PRECorp for planning on the Common Use System, which was approved by the Commission in Docket No. OA08-43-000.⁵⁸ Basin Electric has made some revisions to adapt the planning process to Basin Electric's needs and unique aspects of its Transmission System. Basin Electric also made other minor revisions for consistency in terminology and editorial changes.

In Order No. 890, the Commission directed transmission providers to adopt "coordinated, open, and transparent transmission planning on both a local and regional level."⁵⁹ Such a transmission planning process must "satisf[y] nine transmission planning principles: (1) coordination; (2) openness; (3) transparency; (4) information exchange; (5) comparability; (6) dispute resolution; (7) regional participation; (8) economic planning studies; and (9) cost allocation for new projects."⁶⁰ The Commission emphasized that "customers must be included at the early stages of the development of the transmission plan and not merely given an opportunity to comment on transmission plans that were developed in the first instance without their input."⁶¹ An Order No. 890-compliant transmission planning process may "not [be] limited to the mere exchange of information and then review of transmission provider plans after the fact," but is "intended to provide transmission customers and other stakeholders a meaningful opportunity to engage in planning along with their transmission providers."⁶²

Basin Electric's proposed local transmission planning process is consistent with the requirements of Order No. 890 because it is an open, transparent, and coordinated process that satisfies each of the nine principles identified in Order No. 890. Basin Electric's proposed local transmission planning process includes processes for reliability planning studies, Economic Studies, and studies in consideration of Public Policy Requirements. Through the local transmission planning process, Basin Electric will prepare on a yearly basis a Local

⁵⁸ *Idaho Power Co., et al.*, 124 FERC ¶ 61,053, at P 34 & n.8 (2008).

⁵⁹ Order No. 890 at P 435.

⁶⁰ *See Monongahela Power Co., et al.*, 156 FERC ¶ 61,134, at P 2 (2016).

⁶¹ Order No. 890 at P 454.

⁶² *Id.* at P 488.

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Transmission Plan with the input of interested stakeholders.⁶³ This process includes the opportunity for stakeholders to discuss, question, and propose alternatives for those assumptions and upgrades proposed by the Transmission Provider.⁶⁴ Stakeholders are given input into developing the Local Transmission Plan, including input in defining scenarios and developing base cases related to the local transmission plan, performing the Technical Study,⁶⁵ and determination of the preliminary Local Transmission Plan, based on the data produced during the Technical Study.⁶⁶ Basin Electric's process also provides for stakeholder meetings, stakeholder comments, and information exchange procedures,⁶⁷ and it includes appropriate procedures for ensuring that privileged information, including information eligible for designation as Critical Energy Infrastructure Information, remains confidential, without unduly limiting information exchange procedures.⁶⁸

Under Basin Electric's local transmission planning process, Stakeholders also may submit information regarding their needs and proposed expansion plans to help facilitate the process of preparing the Local Transmission Plan.⁶⁹ Basin Electric will request comparable data from all customers and include all valid data in its Local Transmission Plan, along with appropriate comments on the data from transmission customers and Stakeholders.⁷⁰ The local transmission planning process also provides for transmission customers to provide the following types of data during the first quarter of each year: (1) historical data; (2) load forecast data; (3) ten-year forecast of use of rollovers for existing reservations; (4) generation forecast data; (5) data regarding demand response resource savings, conservation savings, and other customer load reduction alternatives; (6) peak load forecast with and without interruptible portion of the data; and (7) data regarding other supply sources.⁷¹

Basin Electric's proposed local transmission planning process is also transparent. As described in Section E (Transparency), Basin Electric (or WAPA-RMR, as its Tariff Administrator), will maintain a "Transmission Planning" folder on its OASIS, which will be publicly accessible and include ample information for assisting transmission stakeholders and customers in following Basin Electric's local transmission planning process. Specifically, the Transmission Planning folder will contain, among other information: (1) transmission planning business practices; (2) study cycle timeline; (3) data submittal schedule; (4) Economic Study

⁶³ See Attachment K, Section II.A.2 (a).

⁶⁴ *Id.* at Section II.A.2 (b).

⁶⁵ Capitalized term within this section II.A.1 will have the meanings as used in Attachment K to the Tariff.

⁶⁶ Attachment K at Section II.A.2 (f).

⁶⁷ *Id.* at Section II.A.3.

⁶⁸ See Attachment K, Section II.A.2 (g) and (h).

⁶⁹ See *id.* at Section II.A.4.

⁷⁰ See *id.* at Section II.A.4 (f).

⁷¹ See *id.* at Section II.A.4 (a).

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Requests, responses, and results; (5) summary of information discussed at the TCPC meeting; (6) draft and final versions of the current Local Transmission Plan; (7) aggregated load forecasts; (8) key information regarding the WestConnect planning process, described below.⁷²

Section II.A.6 of Attachment K contains principles for allocating costs for new projects. This section provides that Basin Electric will use a case-by-case approach to allocate costs. It also describes procedures for open season solicitation of new projects and how the costs of those projects will be allocated. For any project entered into where an open season solicitation process has been used, project costs and associated transmission rights would generally be allocated proportionally to project participants. For requested economic projects, the entity requesting the project will be allocated the costs associated with the project.

In addition to the general process described above, Basin Electric's local transmission planning process includes specific procedures for local reliability planning studies, economic studies, and planning for Public Policy Requirements. With regard to the Economic Studies, Basin Electric lays out the process for reviewing Economic Study Requests. Attachment K describes how an Eligible Customer makes an Economic Study Request, the number of high priority studies that will be conducted annually, how requests are classified, request priority, Economic Study contents, recovery of planning costs, and clustering of study requests.⁷³

Finally, consistent with Order No. 890, Basin Electric's local transmission planning process includes dispute resolution procedures. This section provides that disputes within the scope of WECC's dispute resolution procedures will be resolved using those procedures, while disputes not within that scope will follow the dispute resolution procedures included in Section 12 of Basin Electric's Tariff. Parties may also refer matters to the Commission for resolution at any time.

ii. Regional Transmission Planning Process

Basin Electric is a participant in the WestConnect Regional Transmission group ("WestConnect"), which was formed under a memorandum of understanding voluntarily entered into by Commission-jurisdictional and non-jurisdictional transmission-providing electric utilities in the Western Interconnection. The purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market shareholders, and address seams issues in the appropriate forums. WestConnect facilitates and coordinates regional transmission planning across the WestConnect footprint. WestConnect has a regional transmission planning management committee to conduct the regional transmission planning process under the principles set forth in Order Nos. 890 and 1000. WestConnect's regional transmission planning process was incorporated into the

⁷² See *id.* at Section II.A.5.

⁷³ See *id.* at Section II.C.

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transmission planning processes of other WestConnect participants and accepted by the Commission in Docket Nos. ER13-75-000, ER13-77-000, and ER13-78-000, among others.⁷⁴

Because Basin Electric is a member of WestConnect, Basin Electric has incorporated the WestConnect Regional Planning Process into its proposed Attachment K. Basin Electric has made only minimal, mainly editorial, changes to the WestConnect process as incorporated into the Tariff. Because the Commission has previously determined that the WestConnect Regional Planning Process is compliant with Order Nos. 890 and 1000, Basin Electric requests that the Commission accept Basin Electric's proposed Regional Planning Process as just and reasonable.

m. Large Generator Interconnection Procedures and Large Generator Interconnection Agreement

Basin Electric's proposed Large Generator Interconnection Procedures ("LGIP") and Large Generator Interconnection Agreement ("LGIA") largely conform with the Commission's *pro forma* LGIP and LGIA as adopted and refined in Order Nos. 2003,⁷⁵ Order No. 661,⁷⁶ Order No. 827,⁷⁷ Order No. 842,⁷⁸ and Order No. 845.⁷⁹ Basin Electric, however, has modified the *pro forma* LGIP and LGIA consistent with the LGIP and LGIA submitted by Tri-State in Docket Nos. ER19-2441-000⁸⁰ and ER19-2470-000.⁸¹ Because Tri-State administers the interconnection process for the MBPP interconnection facilities in the Western Interconnection, Basin Electric has drafted LGIP and LGIA that are reasonably close to Tri-State's so that the process is administered in a consistent manner across both MBPP participant's entitlement share. To the

⁷⁴ *Pub. Serv. Co. of Colorado*, 142 FERC ¶ 61,206 (2013), *reh'g denied*, 148 FERC ¶ 61,213 (2014), *vacated in part*, 832 F.3d 495 (2016), *order on remand*, 161 FERC ¶ 61,188 (2017), *reh'g denied*, 163 FERC ¶ 61,204 (2018).

⁷⁵ *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, FERC Stats. & Regs., Regs. Preambles 2001-2005 ¶ 31,146 (2003), *order on reh'g*, Order No. 2003-A, FERC Stats. & Regs., Regs. Preambles 2001-2005 ¶ 31,160, *order on reh'g*, 2003-B, FERC Stats. & Regs., Regs. Preambles 2001-2005 ¶ 31,171 (2004), *order on reh'g*, 2003-C, FERC Stats. & Regs., Regs. Preambles 2001-2005 ¶ 31,190 (2005), *aff'd sub. nom. Nat'l Ass'n of Regulatory Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007), *cert. denied*, 552 U.S. 1230 (2008).

⁷⁶ *Interconnection for Wind Energy*, Order No. 661, 2001-2005 FERC Stats. & Regs., Regs. Preambles 2001-2005 ¶ 31,186, *order on reh'g and clarification*, Order No. 661-A, FERC Stats. & Regs., Regs. Preambles 2001-2005 ¶ 31,198 (2005).

⁷⁷ *Reactive Power Requirements for Non-Synchronous Generation*, Order No. 827, 155 FERC ¶ 61,277, *order on clarification and reh'g*, 157 FERC ¶ 61,003 (2016).

⁷⁸ *Essential Reliability Services and the Evolving Bulk-Power System-Primary Frequency Response*, Order No. 842, 162 FERC ¶ 61,128, *order on reh'g and clarification*, 164 FERC ¶ 61,138 (2018).

⁷⁹ *Reform of Generator Interconnection Procedures and Agreements*, Order No. 845, 163 FERC ¶ 61,043 (2018), Order No. 845-A, 166 FERC ¶ 61,137 (2019) ("Order No. 845-A").

⁸⁰ See TSGT OATT Filing.

⁸¹ See TSGT LGIP Filing.

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extent the Commission rejects any or all of Tri-State's deviations to the *pro forma* LGIP and LGIA or those deviations are modified through settlement or hearing procedures, Basin Electric commits to submitting a compliance filing to adopt changes to the LGIP and LGIA proposed herein to conform to the revised Tri-State procedures and agreement.

Because Tri-State describes its proposed deviations from the *pro forma* LGIP and LGIA in its filings,⁸² Basin Electric does not repeat that explanation of those changes as part of the instant filing. Basin Electric has, however, made some minor additional revisions to the *pro forma* LGIP and LGIA beyond those proposed by Tri-State. Basin Electric proposes deviation from the *pro forma* LGIP and LGIA to incorporate changes to three definitions:

- Affiliate: Basin Electric revised the definition of "Affiliate" in the LGIP and LGIA to explain that a cooperative and its members are not affiliates. The Commission does not consider a cooperative's members as Affiliates because "there is no potential danger of shifting benefits from the ratepayers to the shareholders."⁸³ This change is consistent with Basin Electric's proposed revision to the definition of "Affiliate" in its Tariff.
- Contingent Facilities: Basin Electric revised the definition of "Contingent Facilities" in the LGIP to replace "planned upgrade" with "planned Interconnection Facilities and Network Upgrades." The purpose of this revision is to clarify that both unbuilt and planned Interconnection Facilities and Network Upgrades may be considered Contingent Facilities. This change is also superior to the *pro forma* LGIP because it incorporates other defined terms, rather than the more general use of the word "upgrade." Basin Electric also added the same revised definition of "Contingent Facilities" to the *pro forma* LGIA.
- NERC: In the LGIP and the LGIA, Basin Electric revised the definition of North American Electric Reliability Corporation ("NERC") to replace the use of the word "Council" with "Corporation."

Basin Electric requests that the Commission accept the above definitional changes as consistent with or superior to the *pro forma* LGIA because they address Basin Electric's status as an electric cooperative, provide clarity, and correct a change in NERC's corporate name. Both Basin Electric's revisions to the *pro forma* LGIP and LGIA and the differences between Basin Electric's proposed LGIP and Tri-State's proposed LGIP are described in Attachment E.

⁸² See TSGT OATT Filing at 14-18 and TSGT LGIP Filing at 5-17.

⁸³ Order No. 697 at 526.

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n. Small Generator Interconnection Procedures and Small Generator Interconnection Agreement

Basin Electric has incorporated the *pro forma* Small Generator Interconnection Procedures and Small Generator Interconnection Agreement into the Tariff as Attachment Q and Attachment R, respectively.

B. BASIN ELECTRIC'S PROPOSED STATED ATRR AND RESULTING RATE ARE JUST AND REASONABLE

Basin Electric currently provides wholesale transmission service over its entitlement share of the MBPP transmission facilities based on a wholesale cost-based stated rate adopted in 2003 and approved by Basin Electric's Board of Directors. Basin Electric is not proposing to change its current rate through this filing, but instead submits its current stated rate as charged under its non-jurisdictional Tariff for acceptance by the Commission. Basin Electric filed its current ATRR and rates, as included in its non-jurisdictional Tariff,⁸⁴ in Docket No. NJ04-1-000, which was accepted by the Commission via Letter Order.⁸⁵ Basin Electric's ATRR and rates are thoroughly described in the attached Statement BL, included as Attachment F, and in the cost-based rate calculation, included as Attachment G.

Accepting Basin Electric's proposal to continue charging its existing rate for wholesale transmission customers taking service over the Transmission System is just and reasonable, and not unduly discriminatory or preferential. Basin Electric proposes to continue recovering an ATRR calculated based on 2002 costs, without any changes for inflation or recognition of capital improvements to its facilities. Were Basin Electric to update its ATRR based on current data, rather than continuing to charge customers the same rate they have been paying since 2003, Basin Electric's ATRR would likely increase. Basin Electric's current rate is also relatively low. The monthly rate Basin Electric has charged under its non-jurisdictional Tariff since 2003, and that it proposes to charge after it becomes subject to the Commission's jurisdiction under FPA section 205, is only \$1.09/kW-month.⁸⁶ Allowing Basin Electric's ATRR to remain unchanged ensures that customers continue to receive the benefit of Basin Electric's low monthly rate.

Basin Electric's proposed ATRR is also understated because it includes revenue credits for revenues that Basin Electric no longer receives and does not need to deduct from its ATRR. In 2003, when Basin Electric's rate was calculated, Basin Electric received revenues under transmission agreements with third parties for use of its MBPP facilities. These revenues included transmission revenue from Public Service Company of Colorado ("PSCo") and Basin Electric's share of transmission revenue from Tri-State. While Basin Electric no longer receives

⁸⁴ See Basin Elec. Power Coop., Revisions to West-Side OATT, Docket No. NJ04-1-000 (filed Oct. 15, 2003) ("2003 Rate Filing").

⁸⁵ See Basin Elec. Power Coop., Letter Order, Docket No. NJ04-1-000 (issued May 17, 2004) (accepting revised tariff sheets, including Basin Electric's 2003 ATRR and rates, for filing, effective October 15, 2003).

⁸⁶ Compare 2003 Rate Filing at Attachment A (reflecting a monthly delivery rate of \$1.09/kW of reserved capacity per month under Schedules 7 and 8), with Attachment D hereto, at Schedules 7 and 8.

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revenue from PSCo or Tri-State, it nevertheless continues to flow these credits through the ATRR to the benefit of ratepayers. By continuing to credit third party revenues against its gross ATRR, Basin Electric is reducing its ATRR by \$1,505,626 million for revenues no longer being collected.

Basin Electric is not seeking to recover through this rate a return on equity component. Instead, Basin Electric's proposed stated cost-of-service rate includes a margin. As an electric cooperative, Basin Electric's proposed ATRR is not intended to recover a profit. However, because Basin Electric does not have shareholders like an investor-owned utility, it must rely on its members to recover its costs and ensure that it has a sufficient cash reserves to fund necessary operations and maintenance activities and transmission buildout. Basin Electric accomplishes this through the inclusion of a margin in its stated cost-of-service rate. To the extent Basin Electric has excess funds, or a net margin, it returns that excess to its members as patronage capital.

The Commission has accepted margins and other member fees in recognition of the differences between cooperatives and investor-owned utilities. In accepting a "Power Supply Fund Charge" for Wolverine Power Supply Cooperative ("Wolverine"), the Commission explained that Wolverine's "rates are based solely on a cost of service that will generate sufficient cash to recover current operating expenses," and without its proposed additional charge, its rates "are not enough to raise required equity for long-term power supply."⁸⁷ The Commission recognized that, for a non-profit cooperative, "the only means to raise enough equity for long-term power supply purchases is by obtaining cash contributions from members (i.e. member fees) or earning net margins."⁸⁸

Of the total company margin, Basin Electric proposes to recover only \$1,435,238 through its ATRR for the MBPP facilities. This amount is based on a margin of approximately 2.7% of Basin Electric's total company net plant, which is then allocated to Basin Electric's MBPP Transmission System based on a net plant allocator. Because the margin is needed to ensure that Basin Electric has sufficient capital to support operations, and Basin Electric will return any excess capital to its members, Basin Electric requests that Commission accept its proposed margin as just and reasonable.

Based on the foregoing, Basin Electric respectfully requests that the Commission accept its current ATRR⁸⁹ as just and reasonable and not unduly discriminatory or preferential. Basin

⁸⁷ *Wolverine Power Supply Coop., Inc.*, 129 FERC ¶ 61,220, at P 14 (2009).

⁸⁸ *Id.*

⁸⁹ Basin Electric notes that its rate does not include recovery of income taxes, and therefore does not need to be adjusted to account for the reduction in the Federal Corporate Income Tax Rate from 35% to 21%, effective January 1, 2018. *See* Tax Cuts and Jobs Act, Pub. L. No. 115-97, 131 Stat. 2054 (2017). Likewise, Basin Electric's rate does not include any accumulated deferred income taxes ("ADIT"), and thus no excess ADIT needs to be returned to ratepayers based on this reduction.

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Electric is not seeking to change its rates through this proceeding and instead will continue to charge transmission customers for service at its current rates.

III. ADDITIONAL INFORMATION

A. INFORMATION REQUIRED UNDER § 35.12 (a)

In accordance with Section 35.12 (a) of the Commission's regulations,⁹⁰ Basin Electric provides the following information:

1. Documents Submitted with this Filing

In addition to this transmittal letter, the following documents are included in this filing:

- | | | |
|--------------|---|---|
| Attachment A | – | A list of Basin Electric Members and a map showing the Basin Electric Members' service areas and their districts. |
| Attachment B | – | Basin Electric Board of Directors September 8, 2019, resolution. |
| Attachment C | – | A map showing the MBPP and the facilities included in Basin Electric's Tariff. |
| Attachment D | – | Open Access Transmission Tariff, in clean and redlined form. |
| Attachment E | – | Section-by-section description of deviations from the <i>pro forma</i> OATT, including the LGIP and LGIA. |
| Attachment F | – | Statement BL. |
| Attachment G | – | Cost-Based Rate Calculation, provided in both pdf and Microsoft Excel formats. |
| Attachment H | – | Excerpts from Rural Utilities Service Form 12 for the period ended December 2002. |
| Attachment I | – | Cost Support Workbook, provided in both pdf and Microsoft Excel formats. |
| Attachment J | – | Names and addresses of entities receiving service. |

⁹⁰ 18 C.F.R. § 35.12 (a).

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2. Proposed Effective Date

As explained above, Basin Electric will no longer qualify for an exemption from Commission regulation under the FPA on the earlier of the date on which: (1) it admits a Class A Member that does not qualify for such an exemption or (2) an existing Class A Member ceases to qualify for such an exemption. Consequently, and as explained in greater detail below, Basin Electric respectfully requests that the Commission grant waiver of the minimum sixty-day and maximum 120-day notice requirements and permit the rates to go into effect on the date on which Basin Electric becomes subject to the Commission's jurisdiction.

3. Persons Receiving Service

Basin Electric is providing service of this filing to the persons listed on Attachment J hereto.

4. Description of Rates and Services

Basin Electric's rates and services are described in more detail in Section II.B above and in Statement BL, included herewith as Attachment F. Calculation of the rates is shown in Attachment G, and information supporting the costs underlying the rate, including Basin Electric's RUS Form 12 and cost support workbook, are provided as Attachments H and I, respectively.

B. INFORMATION REQUIRED UNDER § 35.12 (b)

In accordance with Section 35.12 (b) of the Commission's regulations,²¹ Basin Electric provides the following information:

1. Estimates of the Transactions and Revenues § 35.12 (b)(1)

Basin Electric's proposed ATRR, and thus its estimated revenue, is \$6,548,163. Because Basin Electric's proposed ATRR is a stated rate, Basin Electric requests waiver of the requirement to provide estimates, by months and for the year, of the services to be rendered and the revenues to be derived in the 12 months after the proposed effective date for Basin Electric's stated rate.

2. Basis and Derivation of the Rate, § 35.12 (b)(2)

Basin Electric's ATRR is based on its cost of service as of December 31, 2002. The derivation of Basin Electric's cost-based ATRR is described in Section II.B, above and in Statement BL, included as Attachment F to this filing. Calculation of the rate is shown in Attachment G and information supporting the costs underlying the rate, including Basin Electric's RUS Form 12 and cost support workbook, are provided as Attachments H and I,

²¹ 18 C.F.R. § 35.12 (b).

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respectively. Basin Electric demonstrates the justness and reasonableness of the rate in Section II.B, above.

3. Comparison with other Rates, § 35.12 (b)(3)

Section 35.12 (b)(3) requires “[a] comparison of the proposed initial rate with other rates of the filing public utility for similar wholesale for resale and transmission services.”⁹² In addition to the proposed rate for Basin Electric’s share of the MBPP facilities, Basin Electric has in effect a formula rate under the SPP Tariff and a rate under the Joint Tariff for the Common Use System. However, these rates are not comparable to Basin Electric’s proposed rate for its share of the MBPP facilities. Basin Electric’s SPP rate, which applies to the bulk of Basin Electric’s facilities, is a combined rate based on the revenue requirements of all transmission owners in Zone 19 of SPP. Likewise, the Common Use System rate is a combined rate based on the revenue requirements of Basin Electric, Black Hills Power, and PRECorp. Further, both the SPP rate and the Common Use System rate are derived, at least in part, from revenue requirements calculated using a formula rate,⁹³ rather than a stated rate, and include different components. Therefore, Basin Electric requests waiver of the requirement to provide the comparison required by section 35.12 (b)(3) because Basin Electric does not have any similar rates.

4. Installed or Modified Facilities, § 35.12(b)(4)

Basin Electric has not installed or modified any facilities in order to supply the service to be furnished under the proposed Tariff.

5. Cost of Service Statements, § 35.12 (b)(5)

In support of its proposed ATRR and stated rate, Basin Electric submits Statement BL as Attachment F to this filing. As required by § 35.12 (b)(5), Basin Electric’s Statement BL includes: (1) a summary cost analysis showing how the rate is calculated; and (2) a complete explanation of the “method used in arriving at the cost of service allocated to the sales and service for which the rate or charge is proposed, and showing the principal determinants used for allocation purpose.”⁹⁴

As part of Statement BL, Basin Electric is required to submit a summary cost analysis “consistent with, derived from, and cross-referenced to the data in cost of service Statement BK,”⁹⁵ which requires utilities to “provide a tabular comparison of Period II total electric fully

⁹² 18 C.F.R. § 35.12 (b)(3).

⁹³ The Black Hills Power revenue requirement component of the Common Use System rate is calculated using a formula rate.

⁹⁴ 18 C.F.R. § 35.12 (b)(5).

⁹⁵ 18 C.F.R. § 35.13 (h)(37)(i).

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distributed cost items with those of Period I.”⁹⁶ Basin Electric requests waiver of the Commission’s requirement to submit such Period I and Period II rate schedules. Basin Electric is seeking acceptance of the ATRR already in effect for Basin Electric’s Transmission System. Due to the limited time Basin Electric had to prepare this and its other filings required based on its upcoming jurisdictional status, Basin Electric has not calculated a new rate for the MBPP facilities, nor has it recreated the calculation of its existing rate using a proxy Period I. Therefore, Basin Electric requests waiver of this requirement. The Commission has previously granted waivers for the provision of Period I and Period II rate schedules.⁹⁷ The Commission has stated that it will grant waiver of the requirement to submit Period I and Period II data when the applicant uses both “publicly available documents” and “data included in company records,”⁹⁸ which together provide “enough information to allow for an understanding and analysis of [a] rate filing.”⁹⁹ In support of its ATRR, Basin Electric is submitting with this filing its RUS Form 12, provided as Attachment H, and supporting cost data, provided as Attachment I. Basin Electric submits that good cause exists for waiver of Period I and Period II data because the RUS Form 12 data and cost support data provide sufficient information to evaluate the reasonableness of Basin Electric’s filing.

IV. REQUESTED EFFECTIVE DATE

As explained in detail in Section I.B above, Basin Electric will no longer qualify for an exemption from Commission regulation under the FPA on the earlier of the date on which: (1) it admits a Class A Member that does not qualify for such an exemption or (2) an existing Class A Member ceases to qualify for such an exemption. Consequently, Basin Electric respectfully requests that the Commission grant an effective date for the proposed Tariff, ATRR, and stated rate of the date on which Basin Electric is deemed to become subject to the Commission’s jurisdiction under FPA section 205. Basin Electric anticipates that both of these events will occur in November 2019. First, Basin Electric has committed to readmit Tri-State as a Class A Member on November 1, 2019 pursuant to the Basin Electric Board resolution made on September 8, 2019 (*see* Attachment B). Second, Basin Electric anticipates that a Class C Member that does not hold any RUS debt will have sold more than four million MWh of electricity by the end of November 2019. As a result, the Class A Member to which that Class C Member belongs will no longer be wholly owned by entities that qualify under section 201(f) for an exemption from Commission regulation. Based on conversations with its Class A Member Upper Missouri and based on Upper Missouri’s filings in Docket Nos. ER19-2818-000, ER19-2820-000, and ER19-2821-000,¹⁰⁰ Basin Electric anticipates that a Class C Member (which is a

⁹⁶ 18 C.F.R. § 35.13 (h)(36)(iv).

⁹⁷ *See, e.g., Southern Indiana Gas & Elec. Co.*, 95 FERC ¶ 61,462, at 62,666 (2001); *Pac. Gas & Elec Co.*, 165 FERC ¶ 61,194, at P 33 (2018); *S. Cal. Edison Co.*, 136 FERC ¶ 61,074, at PP 12, 29 (2011).

⁹⁸ *Pac. Gas & Elec.*, 165 FERC ¶ 61,194 at P 33.

⁹⁹ *Southern Indiana Gas & Elec.*, 95 FERC ¶ 61,462 at 62,666.

¹⁰⁰ Upper Missouri G. & T. Electric Cooperative, Inc., Initial Rate Filing of FERC Electric Tariff Vol. No. 1 (Formula Rate Template), Docket No. ER19-2818-000 (filed Sept. 16, 2019); Upper Missouri G. & T. Electric

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member of Basin Electric Class A Member Upper Missouri) will exceed the four million MWh threshold specified in FPA section 201(f) by the end of November 2019. However, Basin Electric cannot predict this date with certainty.

The Commission has previously established an effective date of the later of a specific date or the occurrence of a future event. For example, in *Pataula Electric Membership Corporation*, the Commission accepted Pataula's request for an effective date that was the later of March 29, 2005, or the actual date of prepayment of all of Pataula's RUS loans (at which point Pataula would become subject to the Commission's jurisdiction under Part II of the FPA).¹⁰¹ Here, Basin Electric is similarly situated to Pataula in that it is not certain of the date on which it will become subject to the Commission's jurisdiction. Unlike Pataula, however, only the date on which Basin Electric readmits Tri-State is within its control. Therefore, good cause exists to grant Basin Electric's requested effective date of the earlier of the date on which: (1) it admits a Class A Member that does not qualify for an exemption from Commission regulation under the FPA or (2) an existing Class A Member ceases to qualify for such an exemption. Because Basin Electric is similarly situated to Pataula in that Basin Electric does not yet know the exact date on which it will become subject to the Commission's jurisdiction, it has filed its Tariff with a 12/31/9998 effective date in accordance with the Commission's Implementation Guide for Electronic Tariff Filing.

V. REQUEST FOR WAIVERS

This filing is being made to request Commission acceptance or approval of Basin Electric's Tariff and cost-based ATRR for service on Basin Electric's share of the MBPP transmission system. The documents submitted herewith support the requested Tariff and ATRR. To the extent this transmittal letter and the documents enclosed herewith do not satisfy the Commission's regulations, Basin Electric respectfully requests waiver of the Commission's regulations to the extent necessary to permit acceptance of the proposed Tariff and ATRR as of the requested effective date.

Basin Electric also respectfully requests that the Commission grant waiver of the minimum sixty-day and maximum 120-day notice requirements and permit the rates to go into effect on the date on which Basin Electric is deemed to become subject to the Commission's jurisdiction. Under FPA section 205, the Commission's regulations, and *Central Hudson*, the Commission may grant waiver of its prior notice requirement for good cause and will "consider

Cooperative, Inc., Initial Filing of Rate Schedules FERC Nos. 1 through No. 11 (Wholesale Electric Service Contracts), Docket No. ER19-2820-000 (filed Sept. 16, 2019); and Upper Missouri G. & T. Electric Cooperative, Inc., Request of Upper Missouri G. & T. Electric Cooperative, Inc. for Waiver of Open-Access Requirements, Docket No. ER19-2821-000 (filed Sept. 16, 2019).

¹⁰¹ *Pataula Elec. Membership Corp.*, 111 FERC ¶ 61,123, at PP 2-4 (2005); *see also Wyckoff Gas Storage Co., LLC*, 127 FERC ¶ 61,058 (2009) (accepting market-based rate tariff sheets for filing effective the later of April 21, 2009, as requested, or the date on which the facilities are placed into service).

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requests for waiver of the notice requirement based on the specific factual circumstances of each filing.”¹⁰²

The Commission has previously exercised its discretion to waive the prior notice requirement in instances where extenuating circumstances have precluded compliance with the sixty-day prior notice requirement. For example, in *Panda Stonewall LLC*, the Commission waived the sixty-day prior notice requirement to accommodate the additional time for Panda Stonewall LLC to gather and conform relevant cost data and prepare its Reactive Service Tariff.¹⁰³ In that case, Panda Stonewall’s Interconnection Agreement provided that its generators were required to provide Reactive Services upon being connected to PJM Interconnection, L.L.C.’s transmission grid.¹⁰⁴ As a result, the Commission noted, “without the waiver of the prior 60-day notice requirement Panda Stonewall would be obligated to provide service without compensation.”¹⁰⁵ Similarly, in *Appalachian Power Co.*, the Commission granted American Electric Power Service Company (“AEP”) waiver of the sixty-day notice requirement where another entity “was the principal party in control of the timing” and so AEP could not comply with the notice requirement.¹⁰⁶ The Commission explained that the “timing of [the] notice created difficulties for AEP in preparing its filing,” and “did not realistically allow AEP time to review load flow studies and prepare its application for filing.”¹⁰⁷ The Commission concluded that it had “no reason to second guess AEP’s representation that it made diligent efforts to review load flow studies and to prepare and submit a new loss factor.”¹⁰⁸ Likewise, in *Nevada Power Company*, the Commission waived the sixty-day notice requirement where a counterparty to an interim Balancing Authority Area agreement provided Nevada Power Company with only nineteen days of advance notice that the counterparty would be adding another load.¹⁰⁹ The Commission found that “Nevada Power [Company] acted as expeditiously as it reasonably could under the circumstances.”¹¹⁰

Good cause exists to grant this waiver because Basin Electric is similarly situated to the entities granted waiver in *Panda Stonewall LLC*, *Appalachian Power Company*, and *Nevada Power Company* because Basin Electric learned only recently that it would no longer be exempt from the Commission’s jurisdiction under FPA section 201(e). As explained in Section I.B

¹⁰² 16 U.S.C. § 824d(e); 18 C.F.R. § 35.11; *Cent. Hudson Gas & Elec. Corp.*, 60 FERC ¶ 61,106, at 61,339 (1992), *reh’g denied*, 61 FERC ¶ 61,089, at 61,356 (1992) (“*Central Hudson*”). *See also* *PJM Interconnection, L.L.C.*, 158 FERC ¶ 62,187, at n.8 (2017) (granting waiver of the sixty-day notice requirement for formula rate revisions).

¹⁰³ *Panda Stonewall LLC*, 162 FERC ¶ 61,261, at P 12 (2018).

¹⁰⁴ *Id.*

¹⁰⁵ *Id.*

¹⁰⁶ *Appalachian Power Co.*, 63 FERC ¶ 61,165, at 62,150 (1993).

¹⁰⁷ *Id.*

¹⁰⁸ *Id.*

¹⁰⁹ *Nevada Power Co.*, 141 FERC ¶ 61,254, at P 29 (2012).

¹¹⁰ *Id.*

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above, this will occur on the earlier of the date on which: (1) Basin Electric admits a Class A Member that does not qualify under FPA section 201(f) for an exemption from Commission regulation or (2) an existing Class A Member ceases to qualify for such an exemption. Basin Electric anticipates that the first event will take place on November 1, 2019, the effective date of Tri-State's readmission as a Class A Member. It is Basin Electric's understanding that Tri-State no longer qualifies under FPA section 201(f) for an exemption from Commission regulation. As a result, when Basin Electric readmits Tri-State as a Member, Basin Electric also will no longer qualify for such an exemption. Basin Electric anticipates that the second event will take place by the end of November 2019 when a Class C Member will have sold more than four million MWh of electricity and, as a result, the Class A Member to which that Class C Member belongs will no longer qualify under section 201(f) for an exemption from Commission regulation. Basin Electric has been working diligently to convert its internal systems, develop and implement procedures and processes to comply with Commission regulations, and prepare all filings required under the FPA since it first learned of Tri-State's plans and the Class C Member's level of electricity sales. These efforts have included hiring consultants, gathering and reviewing documentation (some of which dates to the 1960s), compiling information for consultants, revising the Commission's *pro forma* open access transmission tariff to address certain of Basin Electric's unique circumstances, and preparing several filings and applications for submittal to the Commission. Given the amount of time necessary to prepare its filings and timing of the two events described above, Basin Electric is unable to provide the required sixty-day notice. Consequently, if the Commission does not waive the prior notice requirement, Basin Electric will be obligated to provide service without compensation.

Further, good cause exists to grant this waiver because Basin Electric's Members and customers will not be adversely affected because Basin Electric simply is continuing to charge the rates it previously charged its Members and its customers prior to its submittal of this filing. If the Commission were to determine that the proposed filing might be unjust or unreasonable, the Commission could protect customers by suspension and refund provisions in its order.¹¹¹

Finally, the Commission has stated that FPA "section 205 nowhere prohibits the Commission's granting waiver to allow an effective date that pre-dates the filing date."¹¹² In *Midwest Energy, Inc.*, the Commission also waived the sixty-day notice requirement, allowing "the rates in the existing (newly [Commission]-jurisdictional) agreements to become effective as of January 12, 1995" where the bilateral agreements were filed on February 10, 1995.¹¹³ The

¹¹¹ See *Panda Stonewall LLC*, 162 FERC ¶ 61,261 at P 12 (reaffirming a waiver of the sixty-day notice requirement and finding that "The suspension and refund provision in the order protects Virginia Electric against unjust and unreasonable charges until final Commission order.").

¹¹² *ISO New England Inc.*, 112 FERC ¶ 61,057, at P 17 (2005); see also *Prior Notice & Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, at 61,982-84, *order on reh'g*, 65 FERC ¶ 61,081 (1993).

¹¹³ *Midwest Energy, Inc.*, 74 FERC ¶ 61,096, at 61,293-94 (1996); see also *Midwest Energy, Inc.*, Notice of Filing, Docket No. ER95-590-000 (issued Mar. 2, 1995); *Midwest Energy, Inc.*, Wholesale Electric Service Tariffs, Docket No. ER95-590-000 (filed Feb. 10, 1995).

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Commission explained that “Midwest’s situation is unusual in that the filing of the agreements is the result of an abrupt change in its jurisdictional status.”¹¹⁴ The “abrupt change” occurred because Midwest “completed its repayment of its [RUS] loan on an accelerated basis.”¹¹⁵ The Courts have expressly affirmed the Commission’s authority to deem rates effective as of the date agreed upon by the parties in the case of bilateral agreements, even though they are not filed until months or years later. In *City of Holyoke Gas & Electric Department v. FERC*, the D.C. Circuit Court of Appeals affirmed Commission orders waiving the sixty-day prior notice requirement and allowing the rate to become effective in 1988, even though the contract was not filed until eighteen months later, where the contract was a bilateral agreement.¹¹⁶

As described in Section III.B.5, above, Basin Electric also requests waiver of the Commission’s requirement to submit Period I and Period II rate schedules. For ease of review Basin Electric reiterates that request here. Basin Electric is seeking acceptance of the ATRR already in effect for Basin Electric’s Transmission System. Due to the limited time Basin Electric had to prepare this and its other filings required based on its upcoming jurisdictional status, Basin Electric has not calculated a new rate for the MBPP facilities, nor has it recreated the calculation of its existing rate using a proxy Period I. Therefore, Basin Electric requests waiver of this requirement. The Commission has previously granted waivers for the provision of Period I and Period II rate schedules.¹¹⁷ The Commission has stated that it will grant waiver of Period I and Period II data when the applicant uses both “publicly available documents” and “data included in company records,”¹¹⁸ which together provide “enough information to allow for an understanding and analysis of [a] rate filing.”¹¹⁹ In support of its ATRR, Basin Electric is submitting with this filing its RUS Form 12, provided as Attachment H, and supporting cost information, provided as Attachment I. Basin Electric submits that good cause exists for waiver of Period I and Period II data because the RUS Form 12 data and cost support information provide sufficient information to evaluate the reasonableness of Basin Electric’s filing.

To the extent necessary, Basin Electric also respectfully requests that the Commission grant any other waivers necessary in connection with this filing.

¹¹⁴ *Id.* at 61,293.

¹¹⁵ *Id.*

¹¹⁶ *City of Holyoke Gas & Elec. Dep’t v. FERC*, 954 F.2d 740, 744 (D.C. Cir. 1992). *Accord Barton Village, Inc. v. Citizens Utils. Co.*, 99 FERC ¶ 61,111, at 61,487-88 (2002) (granting waiver of prior notice requirement and not ordering refunds for previously-unfiled, pre-1983 agreements), *reh’g denied*, 100 FERC ¶ 61,244 (2002) (same), *aff’d in relevant part*, 106 F. App’x 88, 89 (2d Cir. 2004) (“we do not find that FERC’s refusal to grant refunds is an abuse of discretion that we can rectify while granting proper deference to FERC”).

¹¹⁷ *See, e.g., Southern Indiana Gas & Elec.*, 95 FERC ¶ 61,462 at 62,666; *Pac. Gas & Elec.*, 165 FERC ¶ 61,194 at P 33; *S. Cal. Edison*, 136 FERC ¶ 61,074 at PP 12, 29.

¹¹⁸ *Pac. Gas & Elec Co.*, 165 FERC ¶ 61,194 at P 33.

¹¹⁹ *Southern Indiana Gas & Elec.*, 95 FERC ¶ 61,462 at 62,666.

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VI. COMMUNICATIONS

Please send all correspondence regarding this matter to the following individuals¹²⁰:

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mkolling@bepc.com

VII. CONCLUSION

WHEREFORE, for the foregoing reasons, Basin Electric respectfully requests that the Commission accept this filing, approve Basin Electric's proposed Tariff, ATRR, and resulting rate effective the date on which Basin Electric becomes subject to the Commission's jurisdiction, and grant the requested waivers. Please direct any questions or comments regarding this filing to the undersigned counsel.

Respectfully submitted,

THOMPSON COBURN LLP

/s/ Jesse Halpern

Jesse Halpern
Nicole S. Allen
Rebecca L. Shelton
Kayla J. Grant

Counsel for Basin Electric Power Cooperative

Attachments

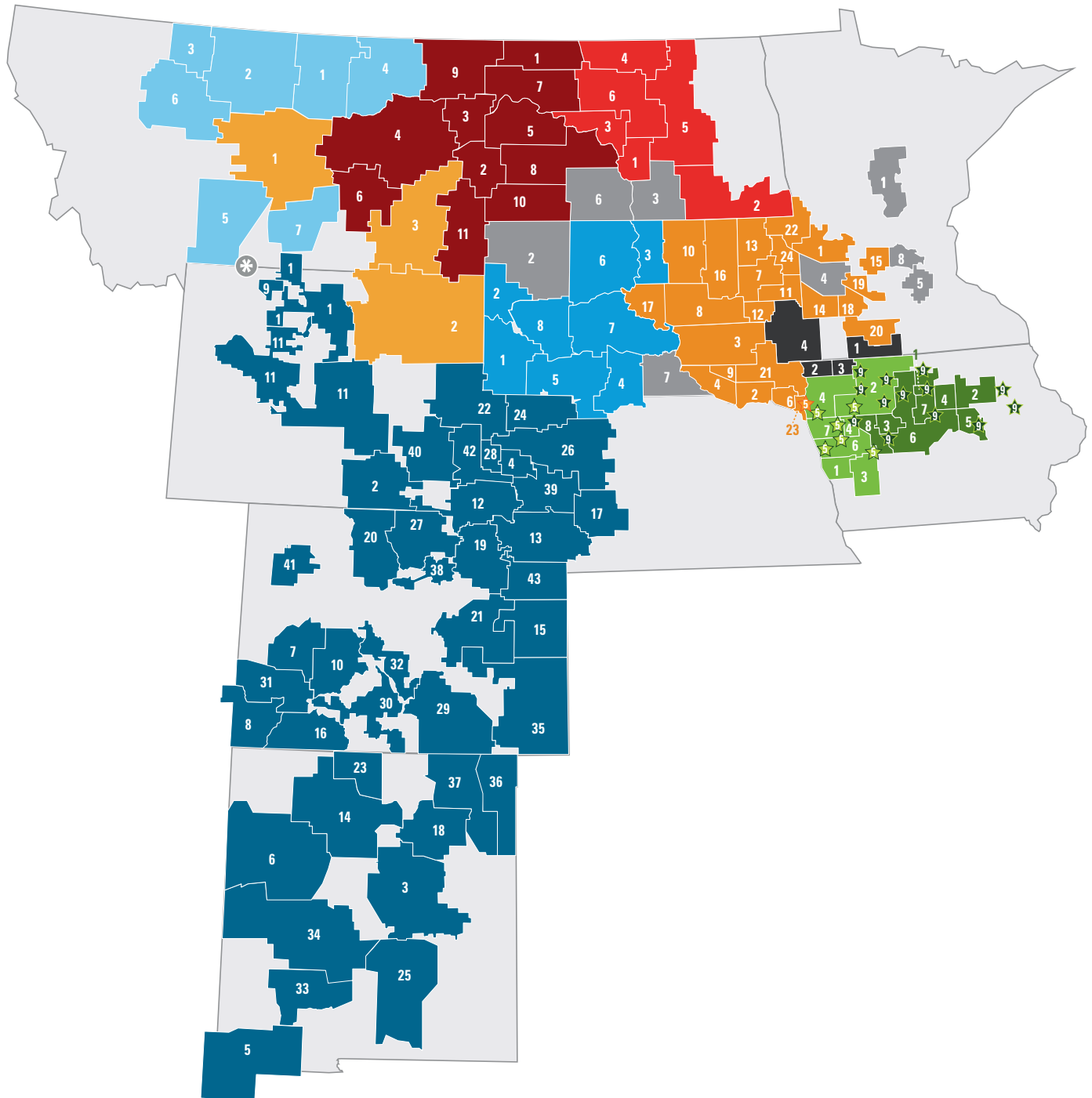
¹²⁰ Pursuant to Commission Rule 101(e), 18 C.F.R. § 385.101(e), Basin Electric requests waiver of Rule 203(b)(3), 18 C.F.R. § 385.203(b)(3), in order to permit more than two persons to be included on the service list.

CERTIFICATE OF SERVICE

I hereby certify that I have served this day copies of the foregoing to be sent via first class mail to all of the individuals listed on Attachment J in accordance with Rule 2010 of the Commission Rules of Practice and Procedure.

Dated at Washington, D.C., this 30th day of September, 2019.

/s/ *Jesse Halpern*
Jesse Halpern



DISTRICT 1

East River Electric Power Cooperative
KERMIT PEARSON Madison, SD

- 1 Agralite Electric Cooperative
- 2 Bon Homme Yankton Electric Association
- 3 Central Electric Cooperative
- 4 Charles Mix Electric Association
- 5 City of Elk Point, SD
- 6 Clay-Union Electric Corporation
- 7 Codington-Clark Electric Cooperative
- 8 Dakota Energy Cooperative
- 9 Douglas Electric Cooperative
- 10 FEM Electric Association
- 11 H-D Electric Cooperative
- 12 Kingsbury Electric Cooperative
- 13 Lake Region Electric Association
- 14 Lyon-Lincoln Electric Cooperative
- 15 Meeker Cooperative Light & Power Association
- 16 Northern Electric Cooperative
- 17 Oahe Electric Cooperative
- 18 Redwood Electric Cooperative
- 19 Renville-Sibley Cooperative Power Association
Sioux Valley Energy
- 20 South Central Electric Association
- 21 Southeastern Electric Cooperative
- 22 Traverse Electric Cooperative
- 23 Union County Electric Cooperative
- 24 Whetstone Valley Electric Cooperative

DISTRICT 2

L & O Power Cooperative
DAVID MESCHKE Rock Rapids, IA

- 1 Federated Rural Electric Association
- 2 Lyon Rural Electric Cooperative
- 3 Osceola Electric Cooperative
- 4 Sioux Valley Energy

DISTRICT 3

Central Power Electric Cooperative
TROY PRESSER Minot, ND

- 1 Capital Electric Cooperative
- 2 Dakota Valley Electric Cooperative
- 3 McLean Electric Cooperative
- 4 North Central Electric Cooperative
- 5 Northern Plains Electric Cooperative
- 6 Verendrye Electric Cooperative

DISTRICT 4

Northwest Iowa Power Cooperative
TOM WAGNER Le Mars, IA

- 1 Harrison County Rural Electric Cooperative
- 2 Iowa Lakes Electric Cooperative
- 3 Nishnabotna Valley Rural Electric Cooperative
- 4 North West Rural Electric Cooperative
- 5 Western Iowa Municipal Electric Association
(Anthon, Aurelia, Hinton, Manning, Mapleton, and Onawa)
- 6 Western Iowa Power Cooperative
- 7 Woodbury County Rural Electric Cooperative

DISTRICT 5

Tri-State Generation & Transmission Association
LEO BREKEL Westminster, CO

- 1 Big Horn Rural Electric Company
- 2 Carbon Power & Light
- 3 Central New Mexico Electric Cooperative
- 4 Chimney Rock Public Power District
- 5 Columbus Electric Cooperative
- 6 Continental Divide Electric Cooperative
- 7 Delta-Montrose Electric Association
- 8 Empire Electric Association
- 9 Garland Light & Power Company
- 10 Gunnison County Electric Association
- 11 High Plains Power
- 12 High West Energy
- 13 Highline Electric Association
- 14 Jemez Mountains Electric Cooperative
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- 18 Mora-San Miguel Electric Cooperative
- 19 Morgan County Rural Electric Association
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- 22 Niobrara Electric Association
- 23 Northern Rio Arriba Electric Cooperative
- 24 Northwest Rural Public Power District
- 25 Otero County Electric Cooperative
- 26 Panhandle Rural Electric Membership Association
- 27 Poudre Valley Rural Electric Association
- 28 Roosevelt Public Power District
- 29 San Isabel Electric Association
- 30 San Luis Valley Rural Electric Cooperative
- 31 San Miguel Power Association
- 32 Sangre de Cristo Electric Association
- 33 Sierra Electric Cooperative

DISTRICT 6

Central Montana Electric Power Cooperative
DANIEL GLIKO, JR. Great Falls, MT

- 1 Big Flat Electric Cooperative
- 2 Hill County Electric Cooperative
- 3 Marias River Electric Cooperative
McCone Electric Cooperative
- 4 NorVal Electric Cooperative
- 5 Park Electric Cooperative
- 6 Sun River Electric Cooperative
- 7 Yellowstone Valley Electric Cooperative

DISTRICT 7

Rushmore Electric Power Cooperative
MIKE MCQUISTION Rapid City, SD

- 1 Black Hills Electric Cooperative
- 2 Butte Electric Cooperative
- 3 Cam Wal Electric Cooperative
- 4 Cherry-Todd Electric Cooperative
- 5 Lacreek Electric Association
- 6 Moreau-Grand Electric Cooperative
- 7 West Central Electric Cooperative
- 8 West River Electric Association

DISTRICT 8

Upper Missouri Power Cooperative
ALLEN THIESSEN Sidney, MT

- 1 Burke-Divide Electric Cooperative
- 2 Goldenwest Electric Cooperative
- 3 Lower Yellowstone Rural Electric Association
- 4 McCone Electric Cooperative
- 5 McKenzie Electric Cooperative
- 6 Mid Yellowstone Electric Cooperative
- 7 Mountrail-Williams Electric Cooperative
- 8 Roughrider Electric Cooperative
- 9 Sheridan Electric Cooperative
- 10 Slope Electric Cooperative
- 11 Southeast Electric Cooperative

- 34 Socorro Electric Cooperative
- 35 Southeast Colorado Power Association
- 36 Southwestern Electric Cooperative
- 37 Springer Electric Cooperative
- 38 United Power
- 39 Wheat Belt Public Power District
- 40 Wheatland Rural Electric Association
- 41 White River Electric Association
- 42 Wyrulec Company
- 43 Y-W Electric Association

DISTRICT 9

WAYNE PELTIER

- 1 Crow Wing Power
- 2 Grand Electric Cooperative
- 3 KEM Electric Cooperative
- 4 Minnesota Valley Cooperative Light & Power Association
- 5 Minnesota Valley Electric Cooperative
- 6 Mor-Gran-Sou Electric Cooperative
- 7 Rosebud Electric Cooperative
- 8 Wright-Hennepin Cooperative Electric Association

Class D Members

- * Flathead Electric Cooperative

DISTRICT 10

Members 1st Power Cooperative
PAUL BAKER Sundance, WY

- 1 Fergus Electric Cooperative
- 2 Powder River Energy Corporation
- 3 Tongue River Electric Cooperative

DISTRICT 11

Corn Belt Power Cooperative
CHARLES GILBERT Humbolt, IA

- 1 Boone Valley Electric Cooperative
- 2 Butler County Rural Electric Cooperative
- 3 Calhoun Rural Electric Cooperative
- 4 Franklin Rural Electric Cooperative
- 5 Grundy County Rural Electric Cooperative
Iowa Lakes Electric Cooperative
- 6 Midland Power Cooperative
- 7 Prairie Energy Cooperative
- 8 Raccoon Valley Electric Cooperative
- 9 North Iowa Municipal Electric Cooperative Association
(Algona, Alta, Bancroft, Coon Rapids, Graettinger, Grundy Center, Laurens, Milford, New Hampton, Spencer, Sumner, Webster City, West Bend)

Cooperatives that buy power from two districts are identified by their number in their voting district.

ASSISTANT SECRETARY'S CERTIFICATE

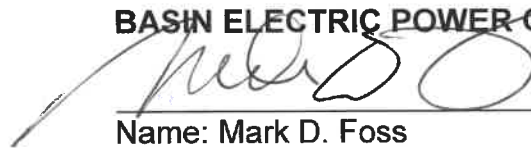
I, Mark D. Foss, Assistant Secretary of Basin Electric Power Cooperative (**Basin Electric**) hereby certify that the following is an excerpt from the minutes of the meeting of the Board of Directors of Basin Electric held and convened in accordance with the Articles of Incorporation and Bylaws of Basin Electric on September 8-10, 2019, at which a quorum was present and acting throughout:

"R01.09-08-19 RESOLVED, that the reapplication of Tri-State Generation and Transmission Association, Inc. (**Tri-State**) to become a Class A member of the Cooperative effective November 1, 2019, be approved and that a Class A membership certificate be issued to Tri-State on that date."

IN WITNESS WHEREOF, I have executed this Assistant Secretary's Certificate this 27th day of September, 2019.

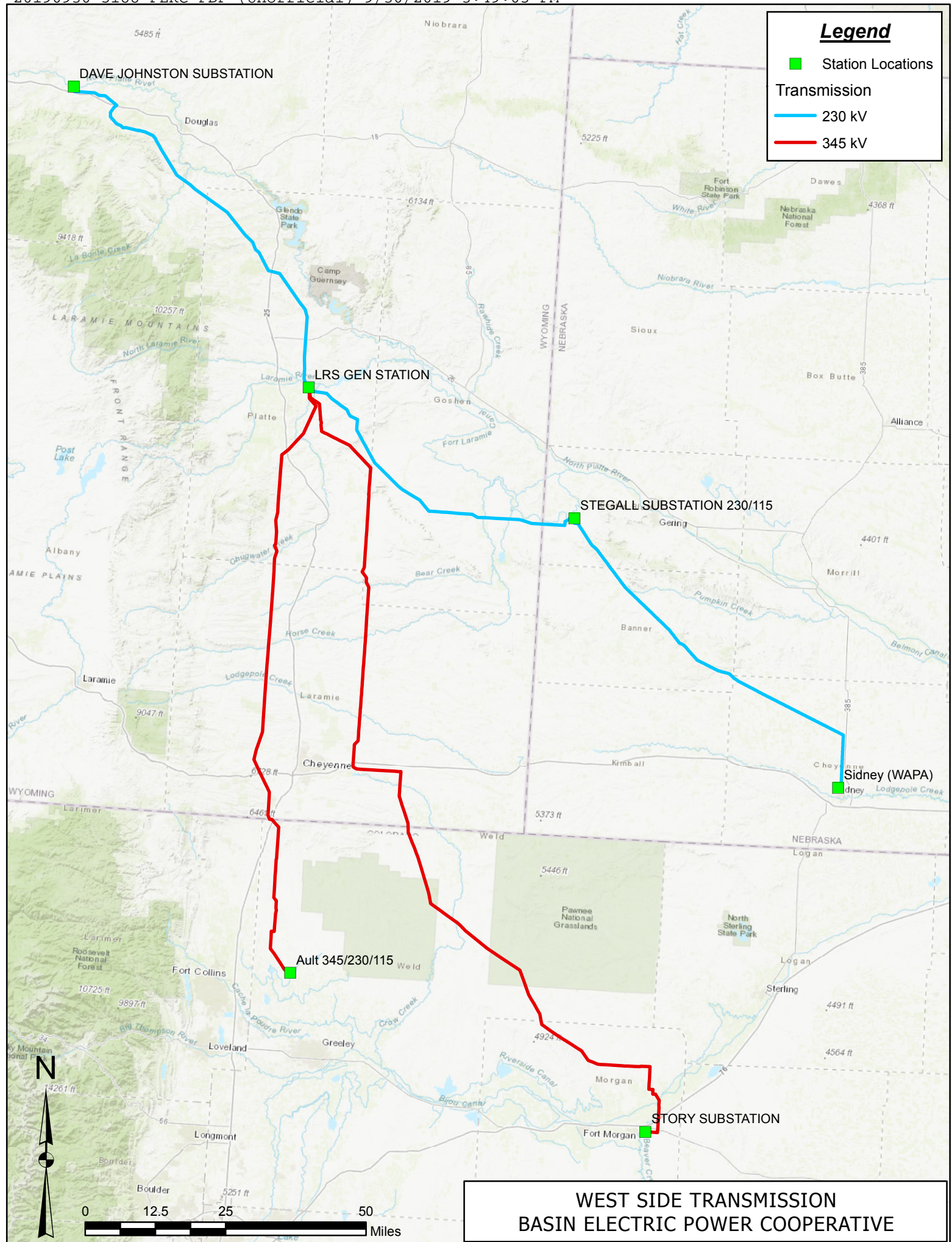


BASIN ELECTRIC POWER COOPERATIVE



Name: Mark D. Foss

Title: Assistant Secretary



BASIN ELECTRIC POWER COOPERATIVE

OPEN ACCESS TRANSMISSION TARIFF

WESTERN INTERCONNECTION TRANSMISSION FACILITIES

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ENERGY IMBALANCE SERVICE

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I. COMMON SERVICE PROVISIONS

1 Definitions

1.1 Affiliate:

With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity. A cooperative's members are not considered Affiliates for purposes of this Tariff.

1.2 Ancillary Services:

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

1.3 Annual Transmission Costs:

The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider or modified by the Commission.

1.4 Application:

A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

1.5 Commission:

The Federal Energy Regulatory Commission or FERC.

1.6 Completed Application:

An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit or fee.

1.7 Control Area:

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

1. match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
2. maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
3. maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
4. provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.8 Curtailment:

A reduction in firm or non-firm transmission service in response to a transfer capability or transmission capacity shortage as a result of system reliability conditions.

1.9 Delivering Party:

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

1.10 Designated Agent:

Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.

1.11 Direct Assignment Facilities:

Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

1.12 Eastern Interconnection:

A major alternating-current electrical grid in North America. The Eastern Interconnection reaches from Central Canada eastward to the Atlantic coast (excluding Quebec), south to Florida, and back west to the foot of the Rockies (excluding most of Texas).

1.13 Effective Date:

For Short-Term Firm and Non-Firm Point-To-Point Transmission Service the Effective Date of this Tariff is [effective date granted by the Commission in Docket No. ER19-____-000]. For Long-Term Firm Point-

To-Point Transmission Service the Effective Date of this Tariff is [effective date granted by the Commission in Docket No. ER19-____-000]. For Network Integration Transmission Service the Effective Date of this Tariff is [effective date granted by the Commission in Docket No. ER19-____-000].

1.14 Eligible Customer:

- i. Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.
- ii. Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.

1.15 Facilities Study:

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

1.16 Federal Power Marketing Agency:

This term shall include the term “Federal Power Marketing Administration” and have the same definition that is set forth in the Federal Power Act at 16 U.S.C. § 796(19), which defines “Federal power marketing agency” as “any agency or instrumentality of the United States (other than the Tennessee Valley Authority) which sells electric energy[.]”

1.17 Firm Point-To-Point Transmission Service:

Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

1.18 Good Utility Practice:

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a

reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

1.19 Interruption:

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

1.20 Load Ratio Share:

Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated on a rolling twelve month basis.

1.21 Load Shedding:

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

1.22 Long-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

1.23 Native Load Customers:

The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.

1.24 Network Customer:

An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

1.25 Network Integration Transmission Service:

The transmission service provided under Part III of the Tariff.

1.26 Network Load:

The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery except as provided for in Sections 36 and 37 of the Tariff. Where a Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate

arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.

1.27 Network Operating Agreement:

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.

1.28 Network Operating Committee:

A group made up of representatives from the Network Customer(s), the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

1.29 Network Resource:

Any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

1.30 Network Upgrades:

Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

1.31 Non-Firm Point-To-Point Transmission Service:

Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.32 Non-Firm Sale:

An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

1.33 North American Electric Reliability Corporation (NERC):

The organization certified as the Electric Reliability Organization (as defined in 18 C.F.R. § 39.1) as of the Effective Date, or any successor organizations.

1.34 Open Access Same-Time Information System (OASIS):

The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

1.35 Part I:

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

1.36 Part II:

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.37 Part III:

Tariff Sections 28 through 37 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.38 Parties:

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

1.39 Point(s) of Delivery:

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of

Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.40 Point(s) of Receipt:

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.41 Point-To-Point Transmission Service:

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.42 Power Purchaser:

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.43 Pre-Confirmed Application:

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.44 Receiving Party:

The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

1.45 Regional Transmission Group (RTG):

A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

1.46 Reserved Capacity:

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.47 Service Agreement:

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

1.48 Service Commencement Date:

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.49 Short-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

1.50 Statutory Load Obligation:

A Federal Power Marketing Agency's power marketing function obligations under Federal law to deliver power and energy from the output of the Federal hydroelectric projects operated by the Department of the Army and the Bureau of Reclamation to loads, which include project use loads, preference power customer loads in a marketing area defined pursuant to a power marketing plan, and other loads required to be served under Federal law.

1.51 System Condition:

A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer's Service Agreement.

1.52 System Impact Study:

An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service

and (ii) whether any additional costs may be incurred in order to provide transmission service.

1.53 Tariff:

This Open Access Transmission Tariff.

1.54 Tariff Administrator:

The Tariff Administrator shall administer the Tariff on behalf of Basin Electric Power Cooperative. The Tariff Administrator is identified on Attachment S.

1.55 Third-Party Sale:

Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

1.56 Transmission Customer:

Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I Common Service Provisions, Schedules 1-6, Schedule 9, and Attachment L to include customers receiving transmission service under Part II and Part III of this Tariff.

1.57 Transmission Provider:

Basin Electric Power Cooperative (the Transmission System owner) or the Tariff Administrator that controls or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff.

1.58 Transmission Provider's Monthly Transmission System Peak:

The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.

1.59 Transmission Service:

Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.

1.60 Transmission System:

Basin Electric Power Cooperative's entitlement share of the following facilities located in the Western Interconnection: (i) the 345 kV transmission line from the Laramie River Station at Wheatland, Wyoming to the Story substation in Colorado; (ii) the 345 kV transmission line from the Laramie River Station to the Ault substation in Colorado; (iii) the 230 kV transmission line from the Laramie River Station to the Dave Johnston substation in Wyoming; (iv) the 230 kV transmission line from the Laramie River Station to the Stegall substation in Nebraska; (v) the 230 kV transmission line from the Stegall substation to the Sidney substation in Nebraska; and (vi) associated substation facilities. that are used to provide transmission service under Part II and Part III of the Tariff.

1.61 Western Area Colorado Missouri (WACM):

The Control Area operator for the Transmission System.

1.62 Western Electricity Coordinating Council (WECC):

A regional entity responsible for compliance monitoring and enforcement pursuant to a FERC-approved delegation agreement with NERC and in accordance with WECC's Bylaws, or any successor organizations.

1.63 Western Interconnection:

A major alternating current power grid in North America. The Western Interconnection stretches from Western Canada south to Baja California in Mexico, reaching eastward over the Rockies to the Great Plains. Western Interconnection is comprised of the states of Washington, Oregon, California, Idaho, Nevada, Utah, Arizona, Colorado, Wyoming, portions of Montana, South Dakota, Nebraska, New Mexico and Texas in the United States, the Provinces of British Columbia and Alberta in Canada, and a portion of the Comisión Federal de Electricidad's system in Baja California in Mexico.

2 Initial Allocation and Renewal Procedures

2.1 Initial Allocation of Available Transfer Capability:

For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the Effective Date will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.

2.2 Reservation Priority For Existing Firm Service Customers:

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm

service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. Service agreements subject to a right of first refusal entered into prior to the Effective Date or associated with a transmission service request received prior to the Effective Date, unless terminated, will become subject to the five year/one year requirement on the first rollover date after the Effective Date; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of the Effective Date.

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), to the extent it is physically feasible to do so from its resources or from resources available to it, Generator Imbalance Service when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer using Transmission Service to deliver energy from a generator located within the

Transmission Provider's Control Area is required to acquire Generator Imbalance Service, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve. The Transmission Provider shall determine whether the Transmission Customer has adequately demonstrated that it has acquired the Ancillary Services from another source. If the Transmission Provider determines that the Transmission Customer is taking Ancillary Services that it has not paid for or otherwise has not made adequate arrangements for Ancillary Services, then the Transmission Provider may impose a penalty equal to 200% of the applicable Ancillary Service charge for the entire length of the reserved period but not exceeding one month.

If the Transmission Provider is a public utility providing transmission service but is not a Control Area operator, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, 6 and 9) from a third party or by self-supply when technically feasible.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.7 below list the seven Ancillary Services.

3.1 Scheduling, System Control and Dispatch Service:

The rates and/or methodology are described in Schedule 1.

3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service:

The rates and/or methodology are described in Schedule 2.

3.3 Regulation and Frequency Response Service:

Where applicable the rates and/or methodology are described in Schedule 3.

3.4 Energy Imbalance Service:

Where applicable the rates and/or methodology are described in Schedule 4.

3.5 Operating Reserve - Spinning Reserve Service:

Where applicable the rates and/or methodology are described in Schedule 5.

3.6 Operating Reserve - Supplemental Reserve Service:

Where applicable the rates and/or methodology are described in Schedule 6.

3.7 Generator Imbalance Service:

Where applicable the rates and/or methodology are described in Schedule 9.

4 Open Access Same-Time Information System (OASIS)

4.1 Terms and Conditions

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 C.F.R. § 37 of the Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities) and 18 C.F.R. § 38 of the Commission's regulations (Business Practice Standards and Communication Protocols for Public Utilities). In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

The Transmission Provider shall post on OASIS and its public website an electronic link to all rules, standards and practices that (i) relate to the terms and conditions of transmission service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The Transmission Provider shall post on OASIS and on its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also post on OASIS and its public website an electronic link to a statement of the process by which the Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are not included in this Tariff. Such process shall set forth the means by which the Transmission Provider shall provide reasonable advance notice to Transmission Customers and Eligible

Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that the Transmission Provider deems appropriate.

4.2 Incorporation by Reference of the NAESB Wholesale Electric Quadrant Standards

The current versions of the NAESB Wholesale Electric Quadrant (WEQ) Business Practice Standards incorporated by reference into the Commission's regulations as specified in Part 38 of the Commission's regulations (18 C.F.R. Part 38) are incorporated by reference into this Tariff.

5 Local Furnishing Bonds

5.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds:

This provision is applicable only to Transmission Providers that have financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

5.2 Alternative Procedures for Requesting Transmission Service:

- (i) If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such transmission service, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.
- (ii) If the Eligible Customer thereafter renews its request for the same transmission service referred to in (i) by tendering an application under Section 211 of the Federal Power Act, the Transmission Provider, within

ten (10) days of receiving a copy of the Section 211 application, will waive its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act. The Commission, upon receipt of the Transmission Provider's waiver of its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act, shall issue an order under Section 211 of the Federal Power Act. Upon issuance of the order under Section 211 of the Federal Power Act, the Transmission Provider shall be required to provide the requested transmission service in accordance with the terms and conditions of this Tariff.

6 Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates. A Transmission Customer that is a member of, or takes transmission service from, a power pool, Regional Transmission Group, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization approved by the Commission for the operation of transmission facilities also agrees to provide comparable transmission service to the transmission-owning members of such power pool and Regional Transmission Group, RTO, ISO or other transmission organization on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This

reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

7 Billing and Payment

7.1 Billing Procedure:

Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

7.2 Interest on Unpaid Balances:

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider.

7.3 Customer Default:

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the

Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

8 Accounting for the Transmission Provider's Use of the Tariff

The Transmission Provider shall record the following amounts, as outlined below.

8.1 Transmission Revenues:

Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of the Tariff.

8.2 Study Costs and Revenues:

Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Transmission Provider conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

9 Regulatory Filings

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

10 Force Majeure and Indemnification

10.1 Force Majeure:

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

10.2 Indemnification:

The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's

performance of its obligations under this Tariff on behalf of the
Transmission Customer, except in cases of negligence or intentional
wrongdoing by the Transmission Provider.

11 Creditworthiness

The Transmission Provider will specify its Creditworthiness procedures in Attachment L.

12 Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures:

Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon] by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

12.2 External Arbitration Procedures:

Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past

substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

12.3 Arbitration Decisions:

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction; provided, however, that final decisions with the Federal Government as one of the parties are nonbinding. Further, notwithstanding any provisions in this Tariff to the contrary, any disputes arising under the Tariff and relating to determinations, decisions, conduct, or actions made or taken by Basin Electric Power Cooperative pursuant to its Tariff shall be subject to binding resolution under this section only to the extent agreed upon by Basin Electric Power Cooperative's board of directors, and subject to the terms and conditions set by Basin Electric Power Cooperative's board of directors. The

decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

12.4 Costs:

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

1. the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
2. one half the cost of the single arbitrator jointly chosen by the Parties.

12.5 Rights Under The Federal Power Act:

Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

13 Nature of Firm Point-To-Point Transmission Service

13.1 Term:

The minimum term of Firm Point-To-Point Transmission Service shall be one day and the maximum term shall be specified in the Service Agreement.

13.2 Reservation Priority:

- (i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has requested service.
- (ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not Pre-Confirmed and that have equal or shorter duration. Among requests or reservations with the same duration and, as relevant, pre-confirmation status (pre-confirmed, confirmed, or not confirmed), priority will be given to an Eligible Customer's request or reservation that offers the highest price, followed by the date and time of the request or reservation.

- (iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous

opportunities to exercise the right of first refusal. Duration, price and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.

- (iv) Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

13.3 Use of Firm Point-To-Point Transmission Service by the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after the Effective Date or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements:

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service.

Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions.

Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs:

In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 and agrees to either (i) compensate the

Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 15.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Point-To-Point Transmission Service:

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system and the systems directly and indirectly interconnected with Transmission Provider's Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission

Service shall be subordinate to Firm Point-To-Point Transmission Service. Long-Term Firm Point-To-Point Transmission Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Point-To-Point Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to curtail Firm Point-To-Point Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to curtail, in whole or in part, any Firm Point-To-Point Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments. In the event that the Transmission Customer fails to cease or reduce service in response to a directive by the Transmission Provider, the Transmission Customer shall pay any applicable charges and the following penalty (in addition to the charges for all of the firm capacity used): 100% of the Firm Point-To-Point Transmission Service charges under Schedule 7 for the entire length of the reserved period but not exceeding one month. This penalty shall apply only to the portion of the

service that the Transmission Customer fails to curtail in response to a Curtailment directive.

13.7 Classification of Firm Point-To-Point Transmission Service:

- (a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.
- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.
- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service

Agreement for Long-Term Firm Point-To-Point Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Point-To-Point Transmission Service. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Point-To-Point Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Point-To-Point Transmission Service. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. The Transmission Provider

shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved. In the event that a Transmission Customer (including Third-Party Sales by Basin Electric Power Cooperative) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved, the Transmission Customer shall pay the following penalty (in addition to the applicable charges for all of the firm capacity actually used): 100% of the Firm Point-To-Point Transmission Service charges under Schedule 7 for the period for which the unreserved service was actually used. The charges for the unreserved service shall be based upon the duration of the period when the unreserved capacity was used. For example, (i) one hour shall be billed at the charge for weekday deliveries; (ii) repeated daily use of unreserved capacity within a seven day period shall increase the duration of the period to a weekly duration; and (iii) multiple instances

of unreserved use during more than one seven day period during a calendar month shall increase the duration of the period to a monthly duration. For the amounts exceeding reserved capacity, the Transmission Customer also must purchase losses as required by this Tariff.

13.8 Scheduling of Firm Point-To-Point Transmission Service:

Schedules for the Transmission Customer's Firm Point-To-Point

Transmission Service will comply with all applicable NERC guidelines and policies and must be submitted to the Transmission Provider no later than 10:00 a.m. of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-

hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

13.9 Commonly-Owned Facilities:

Notwithstanding any other provision of this Section 13, Firm Point-To-Point Transmission Service provided pursuant to this Tariff shall not adversely affect the contractual or ownership rights of any entity that owns or operates, jointly with the Transmission Provider, any transmission facilities or facilities included within the Transmission System.

14 Nature of Non-Firm Point-To-Point Transmission Service

14.1 Term:

Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.

14.2 Reservation Priority:

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmation status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match

any longer term request before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after the Effective Date or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will

maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

14.4 Service Agreements:

The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

14.5 Classification of Non-Firm Point-To-Point Transmission Service:

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. In the event that a Transmission Customer (including Third-Party Sales by Basin Electric Power Cooperative) exceeds its non-firm Reserved Capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of

Receipt or Point of Delivery that it has not reserved, the Transmission Customer shall pay the following penalty (in addition to the applicable charges for all of the firm capacity actually used): 100% of the Non-Firm Point-To-Point Transmission Service charges under Schedule 8 for the duration of the period when the additional service was used as specified below not to exceed one month for the amount in excess of such capacity reservation. The charges for the unreserved service shall be based upon the duration of the period when the unreserved capacity was used. For example, (i) one hour shall be billed at the charge for weekday deliveries; (ii) repeated daily use of unreserved capacity within a seven day period shall increase the duration of the period to a weekly duration; and (iii) multiple instances of unreserved use during more than one seven day period during a calendar month shall increase the duration of the period to a monthly duration. For the amounts exceeding reserved capacity, the Transmission Customer also must purchase losses as required by this Tariff.

Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

14.6 Scheduling of Non-Firm Point-To-Point Transmission Service:

Schedules for Non-Firm Point-To-Point Transmission Service will comply with all applicable NERC guidelines and policies and must be submitted to the Transmission Provider no later than 2:00 p.m. of the day prior to commencement of such service. Schedules submitted after 2:00 p.m. will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour.

Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted twenty (20) minutes before the start of the next scheduling interval, provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Service:

The Transmission Provider reserves the right to curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly and indirectly interconnected with Transmission Provider's Transmission System. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. The Transmission Provider reserves the right to interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Point-To-Point Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the

transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Point-To-Point Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be curtailed or interrupted before daily non-firm transactions and daily non-firm transactions will be curtailed or interrupted before weekly non-firm transactions).

Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice. In the event that the Transmission Customer fails to cease or reduce service in response to a directive by the Transmission Provider, the Transmission Customer shall pay any applicable charges and the following penalty (in addition to the charges for all of the non-firm capacity used): 100% of the Non-Firm Point-To-Point Transmission Service charge under Schedule 8

for the entire length of the reserved period not to exceed one month for the amount in excess of such capacity reservation. This penalty shall apply only to the portion of the service that the Transmission Customer fails to curtail or interrupt in response to a Curtailment or Interruption directive.

14.8 Commonly-Owned Facilities

Notwithstanding any other provision of this Section 14, Non-Firm Point-To-Point Transmission Service provided pursuant to this Tariff shall not adversely affect the contractual or ownership rights of any entity that owns or operates, jointly with the Transmission Provider, any transmission facilities or facilities included within the Transmission System.

15 Service Availability

15.1 General Conditions:

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transfer Capability:

A description of the Transmission Provider's specific methodology for assessing available transfer capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study.

15.3 Initiating Service in the Absence of an Executed Service Agreement:

If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Service Agreement, the Transmission Provider shall file with the Commission, within thirty (30) days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The Transmission Provider shall

commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment:

- (a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Point-To-Point Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities

that the Transmission Provider has the right to expand or modify.

- (b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.
- (c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Point-To-Point Transmission Service with the condition that the Transmission Provider

may curtail the service prior to the curtailment of other Firm Point-To-Point Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

15.5 Deferral of Service:

The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

15.6 Other Transmission Service Schedules:

Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service

under those agreements until such time as those agreements may be modified by the Commission.

15.7 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are set forth in Attachment M.

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers:

Point-To-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:

- (a) The Transmission Customer has pending a Completed Application for service;
- (b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
- (c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider and to effect the delivery from the Transmission Provider to the Transmission Customer or the ultimate wholesale purchaser from the Transmission Customer prior to the time service under Part II of the Tariff commences;
- (d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;

- (e) The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment K; and
- (f) The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 15.3.

16.2 Transmission Customer Responsibility for Third-Party Arrangements:

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

17 Procedures for Arranging Firm Point-To-Point Transmission Service

17.1 Application:

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to: Basin Electric Power Cooperative, 1717 East Interstate Avenue, Bismarck, North Dakota, 58503, at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. This method will provide a time-stamped record for establishing the priority of the Application.

17.2 Completed Application:

A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

- (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations;
- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Transmission Service;
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's

Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;

- (ix) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service;
- (x) The Eligible Customer's NERC compliance registry identification number;
- (xi) The identity and contact number of the Eligible Customer's accounts payable personnel; and
- (xii) Any additional information required by the Transmission Provider's planning process established in Attachment K.

The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

17.3 Processing Fee:

A Completed Application for Firm Point-To-Point Transmission Service also shall include a nonrefundable processing fee. Such fee shall be applicable to all Transmission Customer's request for Firm Point-To-Point Transmission Service of one year or longer. The processing fee shall be charged as set forth in Attachment N of this Tariff. This fee does not apply

to costs to complete System Impact Studies or Facilities Study or to add new facilities.

17.4 Notice of Deficient Application:

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

17.5 Response to a Completed Application:

Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. Responses

by the Transmission Provider must be made as soon as practicable to all completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

17.6 Execution of Service Agreement:

Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 Extensions for Commencement of Service:

The Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Point-To-Point Transmission Service for each year or fraction thereof within 15 days of

notifying the Transmission Provider it intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Point-To-Point Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

18 Procedures for Arranging Non-Firm Point-To-Point Transmission Service

18.1 Application:

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider.

Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. This method will provide a time-stamped record for establishing the service priority of the Application.

18.2 Completed Application:

A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The Point(s) of Receipt and the Point(s) of Delivery;
- (iv) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery;
- (v) The Eligible Customer's NERC compliance registry identification number;

- (vi) The identity and contact number of the Eligible Customer's accounts payable personnel; and
- (vii) The proposed dates and hours for initiating and terminating transmission service hereunder.

In addition to the information specified above, when required to properly evaluate system conditions, the Transmission Provider also may ask the Transmission Customer to provide the following:

- (i) The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service; and
- (ii) The electrical location of the ultimate load.

The Transmission Provider will treat this information in (viii) and (ix) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

- (i) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that

the Transmission Provider can provide the requested
Transmission Service.

18.3 Reservation of Non-Firm Point-To-Point Transmission Service:

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than noon the day before service is to commence.

Requests for service received later than 2:00 p.m. prior to the day service is scheduled to commence will be accommodated if practicable.

18.4 Determination of Available Transfer Capability:

Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

19 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests

19.1 Notice of Need for System Impact Study:

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional Curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15)

days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn.

19.2 System Impact Study Agreement and Cost Reimbursement:

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.
- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall

record the cost of the System Impact Studies pursuant to Section 20.

19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch, (3) conditional Curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For an Eligible Customer requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System

Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as practicable after the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request in writing the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the

completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or

other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement or request in writing the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications:

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.6 Due Diligence in Completing New Facilities:

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point

Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

19.7 Partial Interim Service:

If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

19.8 Expedited Procedures for New Facilities:

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement

covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

19.9 Penalties for Failure to Meet Study Deadlines:

Sections 19.3 and 19.4 require a Transmission Provider to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

- (i) The Transmission Provider is required to file a notice with the Commission in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed

within thirty (30) days of the end of the calendar quarter triggering the notice requirement.

- (ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider may provide an explanation in its notification filing to the Commission if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.
- (iii) The Transmission Provider is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the 60-day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the

calendar quarter immediately following the quarter that triggered the Transmission Provider's notification filing to the Commission. The operational penalty will continue to be assessed each quarter until the Transmission Provider completes at least ninety (90) percent of all non-Affiliates' System Impact Studies and Facilities Studies within the 60-day deadline.

- (iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to \$500 for each day the Transmission Provider takes to complete that study beyond the 60-day deadline.

20 Procedures if The Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service

20.1 Delays in Construction of New Facilities:

If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the Transmission Customer to evaluate any alternatives.

20.2 Alternatives to the Original Facility Additions:

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm

Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

20.3 Refund Obligation for Unfinished Facility Additions:

If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Commission regulations 35.19a(a)(2)(iii). However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

21 Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities

21.1 Responsibility for Third-Party System Additions:

The Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

21.2 Coordination of Third-Party System Additions:

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others.

The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for

any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities.

Within sixty (60) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

22 Changes in Service Specifications

22.1 Modifications On a Non-Firm Basis:

The Transmission Customer taking Firm Point-To-Point Transmission Service may request the Transmission Provider to provide transmission service on a non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement ("Secondary Receipt and Delivery Points"), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-To-Point Transmission Service charge or executing a new Service Agreement, subject to the following conditions.

- (a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by the Transmission Provider on behalf of its Native Load Customers.
- (b) The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.
- (c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery

Points specified in the relevant Service Agreement in the amount of its original capacity reservation.

- (d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the submission of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff.

However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

22.2 Modification On a Firm Basis:

Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any additional Application processing fee if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

23 Sale or Assignment of Transmission Service

23.1 Procedures for Assignment or Transfer of Service:

- (a) A Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall be at rates established by agreement between the Reseller and the Assignee.
- (b) The Assignee must execute a service agreement with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. The Transmission Provider shall charge the Reseller, as appropriate, at the rate stated in the Reseller's Service Agreement with the Transmission Provider or the associated OASIS schedule and credit the Reseller with the price reflected in the Assignee's Service Agreement with the Transmission Provider or the associated OASIS schedule; provided that, such credit shall be reversed in the event of non-payment by the Assignee. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original

Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service:

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service:

In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use the Transmission Provider's OASIS to post transmission capacity available for resale.

24 Metering and Power Factor Correction at Receipt and Delivery Point(s)

24.1 Transmission Customer Obligations:

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the Tariff and to communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer. The Transmission Customer shall inspect its metering equipment for accuracy in registration at least biennially and at its own expense. The Transmission Customer shall also perform meter tests at the request of the Transmission Provider within normal business hours. If any metering equipment test shows the Transmission Customer's metering equipment to not be accurate within +/- 2%, the Transmission Customer shall replace such equipment with accurate equipment or restore the existing equipment to accurate registration at the Transmission Customer's own expense. If a metering test requested by the Transmission Provider shows the Transmission Customer's equipment to be registering accurately within +/- 2%, the Transmission Provider shall pay the costs of such test. All meter test information shall be submitted to the Transmission Provider.

24.2 Transmission Provider Access to Metering Data:

The Transmission Provider shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.

24.3 Power Factor:

Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

25 Compensation for Transmission Service

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the Schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

26 Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

27 Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs to the extent consistent with Commission policy.

Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved by redispatching the Transmission Provider's resources to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs to the extent consistent with Commission policy.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the Tariff.

28 Nature of Network Integration Transmission Service

28.1 Scope of Service:

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

28.2 Transmission Provider Responsibilities:

The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transfer capability. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall,

consistent with Good Utility Practice and Attachment K, endeavor to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service:

The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

28.4 Secondary Service:

The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.

28.5 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are set forth in Attachment M.

28.6 Restrictions on Use of Service:

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. In the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve its Network Load, it shall pay the penalty set forth in Section 13.7 for the amount of the service used to facilitate the wholesale sale.

29 Initiating Service

29.1 Condition Precedent for Receiving Service:

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement with the Commission, and (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G, or requests in writing that the Transmission Provider file a proposed unexecuted Network Operating Agreement.

29.2 Application Procedures:

An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and

time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. This method will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the party requesting service;
- (ii) The Eligible Customer's NERC compliance registry identification number;
- (iii) The identity and contact number of the Eligible Customer's accounts payable personnel; and
- (iv) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (v) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements

beginning with the first year after the service is scheduled to commence;

(vi) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;

(vii) A description of Network Resources (current and 10-year projection). For each on-system Network Resource, such description shall include:

- 1) Unit size and amount of capacity from that unit to be designated as Network Resource VAR capability (both leading and lagging) of all generators
- 2) Operating restrictions
 - Any periods of restricted operations throughout the year
 - Maintenance schedules

- Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons
- 3) Approximate variable generating cost (\$/MWH) for redispatch computations
 - 4) Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource;

For each off-system Network Resource, such description shall include:

- 1) Identification of the Network Resource as an off-system resource
- 2) Amount of power to which the customer has rights
- 3) Identification of the control area from which the power will originate
- 4) Delivery point(s) to the Transmission Provider's Transmission System

- 5) Transmission arrangements on the external transmission system(s)
- 6) Operating restrictions, if any
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons
- 7) Approximate variable generating cost (\$/MWH) for redispatch computations;

(viii) Description of Eligible Customer's transmission system:

- 1) Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider
- 2) Operating restrictions needed for reliability
- 3) Operating guides employed by system operators

- 4) Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
 - 5) Location of Network Resources described in subsection (v) above
 - 6) 10 year projection of system expansions or upgrades
 - 7) Transmission System maps that include any proposed expansions or upgrades
 - 8) Thermal ratings of Eligible Customer's Control Area ties with other Control Areas;
- (ix) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year;
- (x) A statement signed by an authorized officer from or agent of the Eligible Customer attesting that all of the network resources listed pursuant to Section 29.2(vii) satisfy the following conditions: (1) the Eligible Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the

availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program; and

- (xi) Any additional information required of the Eligible Customer as specified in the Transmission Provider's planning process established in Attachment K.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgement must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this

section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations. Notwithstanding the foregoing, the Transmission Provider may, on a non-discriminatory basis, waive the requirement that a deposit accompany an Application where the Eligible Customer has established its creditworthiness pursuant to Section 11 of this Tariff and is not in default on its obligations under this Tariff as defined in Section 7.3 of this Tariff at the time of the Application. The Transmission Provider will bill the Eligible Customer for any reasonable costs incurred by the Transmission Provider in connection with its review of the Application. Such bill will contain a complete accounting of all costs included.

29.3 Technical Arrangements to be Completed Prior to Commencement of Service:

Network Integration Transmission Service shall not commence until the Transmission Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider shall exercise reasonable efforts, in coordination with the Network

Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

29.4 Network Customer Facilities:

The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from the Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

29.5 Filing of Service Agreement:

The Transmission Provider will file Service Agreements with the Commission in compliance with applicable Commission regulations.

30 Network Resources

30.1 Designation of Network Resources:

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

30.2 Designation of New Network Resources:

The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through the Transmission Provider's OASIS by a request for modification of service pursuant to an Application under Section 29. This request must include a statement that the new network resource satisfies the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to

purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. The Network Customer's request will be deemed deficient if it does not include this statement, and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.3 Termination of Network Resources:

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource by providing notification to the Transmission Provider through OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS, and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:

- (i) Effective date and time of temporary termination;
- (ii) Effective date and time of redesignation, following period of temporary termination;
- (iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;
- (iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and
- (v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and the Transmission Provider

will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.4 Operation of Network Resources:

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing program, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to changes in the operation of a Network Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. In the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission

Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-To-Point Transmission Service, it shall pay the penalty set forth in Section 13.7 for the amount of the service exceeding the Network Resource's designated capacity.

30.5 Network Customer Redispatch Obligation:

As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.

30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider:

The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

30.7 Limitation on Designation of Network Resources:

The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.

30.8 Use of Interface Capacity by the Network Customer:

There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Network Load.

30.9 Network Customer Owned Transmission Facilities:

The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider, to serve its power and transmission customers. For facilities added by the Network Customer subsequent to the Effective Date, the Network Customer shall receive credit

for such transmission facilities added if such facilities are integrated into the operations of the Transmission Provider's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's annual transmission revenue requirement as specified in Attachment H. The eligible Network Customer is only entitled to receive the value of the billing credits netted against but not to exceed the Network Customer's monthly transmission charges. The eligible Network Customer shall not be entitled to additional payments for transmission service sold on its transmission facilities that would otherwise be recoverable by the Transmission Provider under the Tariff. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties. This Section 30.9 does not apply to Network Customer transmission facilities that are reflected in the rates for service under this Tariff.

31 Designation of Network Load

31.1 Network Load:

The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

31.2 New Network Loads Connected With the Transmission Provider:

The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with Commission policies.

31.3 Network Load Not Physically Interconnected with the Transmission Provider:

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the

Network Customer desires to obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load except as provided for in Sections 36 and 37 of the Tariff, or (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

31.4 New Interconnection Points:

To the extent the Network Customer desires to add a new delivery point or interconnection point between the Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable.

31.5 Changes in Service Requests:

Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g. the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the

costs of transmission facilities constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

31.6 Annual Load and Resource Information Updates:

The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff including, but not limited to, any information provided under section 29.2(xi) pursuant to the Transmission Provider's planning process in Attachment K. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

32 Additional Study Procedures For Network Integration Transmission Service Requests

32.1 Notice of Need for System Impact Study:

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

32.2 System Impact Study Agreement and Cost Reimbursement:

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time

for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

32.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required

System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost of redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as practicable after the System Impact Study is complete. The Transmission

Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request in writing the filing of an unexecuted Service Agreement, or the Application shall be deemed terminated and withdrawn.

32.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its

Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Service Agreement or request in writing the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

32.5 Penalties for Failure to Meet Study Deadlines:

Section 19.9 defines penalties that apply for failure to meet the 60-day study completion due diligence deadlines for System Impact Studies and Facilities Studies under Part II of the Tariff. These same requirements and penalties apply to service under Part III of the Tariff.

33 Load Shedding and Curtailments

33.1 Procedures:

Prior to the Service Commencement Date, the Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the Transmission System and on systems directly and indirectly interconnected with Transmission Provider's Transmission System. The Parties will implement such programs during any period when the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

33.2 Transmission Constraints:

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate

procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints:

Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

33.4 Curtailments of Scheduled Deliveries:

If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to implement Curtailments of scheduled deliveries, the Parties shall curtail such schedules in accordance with the Network Operating Agreement or pursuant to the Transmission Loading Relief procedures specified in Attachment J.

33.5 Allocation of Curtailments:

The Transmission Provider shall, on a non-discriminatory basis, curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to curtail schedules to an extent greater than the Transmission Provider would curtail the Transmission Provider's schedules under similar circumstances.

33.6 Load Shedding:

To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.

33.7 System Reliability:

Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In

the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, (iii) expedite restoration of service; or (iv) comply with directives of NERC and the reliability coordinator responsible for overseeing the Transmission System. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. In the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures or to cease or reduce service in response to a directive by the Transmission Provider, the Network Customer shall pay any applicable charges and the following penalty (in addition to the charges for all of the service used): For the applicable month, 100% of the Network Integration Transmission Service charge. This penalty shall apply only to the portion of the service that the Network Customer fails to curtail in response to a Curtailment directive.

34 Rates and Charges

The Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

34.1 Monthly Demand Charge:

The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Transmission Provider's Annual Transmission Revenue Requirement specified in Attachment H.

34.2 Determination of Network Customer's Monthly Network Load:

The Network Customer's monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with the Transmission Provider under Section 31.3) coincident with the Transmission Provider's Monthly Transmission System Peak.

34.3 Determination of Transmission Provider's Monthly Transmission System Load:

The Transmission Provider's monthly Transmission System load is the Transmission Provider's Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.

34.4 Redispatch Charge:

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

34.5 Stranded Cost Recovery:

The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

34.6 New and Incremental Taxes:

In the event that new sales, excise, or similar taxes (other than taxes based upon or measured by net income) associated with transactions under this Tariff are imposed upon the Transmission Provider, the Network Customer shall pay any amounts necessary to reimburse the Transmission Provider for any amounts payable for such taxes not already recovered through the amounts collected pursuant to Attachment H.

35 Operating Arrangements

35.1 Operation under The Network Operating Agreement:

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

35.2 Network Operating Agreement:

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and

operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable NERC guidelines, (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable NERC reliability guidelines. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

35.3 Network Operating Committee:

A Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

36 Co-Supply Arrangement

If a Federal Power Marketing Agency is a Network Customer and designates Network Load on or outside of the Transmission Provider's Transmission System, the amount of that Federal Power Marketing Agency's Network Load shall be based on its Statutory Load Obligations. A Federal Power Marketing Agency's Statutory Load Obligations to its customers are limited because it is not the full-requirements power supplier, except in certain limited cases, and therefore, a Federal Power Marketing Agency generally does not serve the total load at a delivery point. The portion of load that exceeds a Federal Power Marketing Agency's obligation at a delivery point must be served by another Network Customer (Co-Supplier). A Co-Supplier to load in excess of a Federal Power Marketing Agency's Statutory Load Obligations shall be allowed to designate its portion of the total load at a delivery point as Network Load. In such case, that Co-Supplier's Network Load shall be the total load at each delivery point less any Federal Power Marketing Agency's Statutory Load Obligations.

37 Direct Current Ties

If a Network Customer designates a Network Load or a Network Resource that will be served via a Direct Current (DC) Tie, which interconnects the Western Interconnection and the Eastern Interconnection, then that Network Load or Network Resource shall be limited by the Network Customer's Reserved Capacity across that DC Tie. Further, the delivery point for the Network Load or the receipt point for the Network Resource shall be the western bus of that DC Tie.

SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Control Area operator for the Transmission System or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Western Area Power Administration - Western Area Colorado Missouri (WACM) Control Area is the Control Area operator for the Transmission System.

SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the control area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Control Area operator for the Transmission System or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator.

To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area operator.

The Western Area Power Administration - Western Area Colorado Missouri (WACM) Control Area is the Control Area operator for the Transmission System.

SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Control Area operator that performs this function for the Transmission System. The Transmission Customer must purchase this service when the transmission service is used to serve load within the Control Area for the Transmission System. The Transmission Customer must purchase this service directly from the Control Area operator, or indirectly from the Transmission Provider, or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supplying Transmission Customer, the Transmission Provider will share with the Transmission Customer its reasoning and any

related data used to make the determination of whether the Transmission Customer has made alternative comparable arrangements. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Western Area Power Administration - Western Area Colorado Missouri (WACM) Control Area is the Control Area operator for the Transmission System.

SCHEDULE 4

Energy Imbalance Service

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Customer must purchase this service when the transmission service is used to serve load within the Control Area for the Transmission System. The Transmission Customer must purchase this service directly from the Control Area operator, or indirectly from Transmission Provider, or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly energy imbalances under this Schedule or a penalty for hourly generator imbalances under Schedule 9 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The Transmission Provider shall establish charges for energy imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted

on a monthly basis and settled financially, at the end of the month, at 100 percent of incremental or decremental cost; (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of incremental cost or 75 percent of decremental cost.

For purposes of this Schedule, incremental cost and decremental cost represent the Transmission Provider's actual average hourly cost of the last 10 MW dispatched for any purpose, e.g., to supply the Transmission Provider's Native Load Customers, correct imbalances, or make off-system sales, based on the replacement cost of fuel, unit heat rates, start-up costs (including any commitment and redispatch costs), incremental operation and maintenance costs, and purchased and interchange power costs and taxes, as applicable.

The Western Area Power Administration - Western Area Colorado Missouri (WACM) Control Area is the Control Area operator for the Transmission System.

SCHEDULE 5

Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Customer must purchase this service when the transmission service is used to serve load within the Control Area for the Transmission System. The Transmission Customer must purchase this service directly from the Control Area operator, or indirectly from the Transmission Provider, or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Western Area Power Administration - Western Area Colorado Missouri (WACM) Control Area is the Control Area operator for the Transmission System.

SCHEDULE 6

Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Customer must purchase this service when the transmission service is used to serve load within the Control Area for the Transmission System. The Transmission Customer must purchase this service directly from the Control Area operator, or indirectly from the Transmission Provider, or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Western Area Power Administration - Western Area Colorado Missouri (WACM) Control Area is the Control Area operator for the Transmission System.

SCHEDULE 7

Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

- 1) **Yearly delivery:** one-twelfth of the demand charge of \$13.04/KW of Reserved Capacity per year.
- 2) **Monthly delivery:** \$1.09/KW of Reserved Capacity per month.
- 3) **Weekly delivery:** \$0.25/KW of Reserved Capacity per week.
- 4) **Daily delivery:** \$0.036/KW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

- 5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s)

of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

- 6) Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

SCHEDULE 8

Non-Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

- 1) **Monthly delivery:** \$1.09/KW of Reserved Capacity per month.
- 2) **Weekly delivery:** \$0.25/KW of Reserved Capacity per week.
- 3) **Daily delivery:** \$0.036/KW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

- 4) **Hourly delivery:** The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$1.49/MWH.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

- 5) Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.
- 6) Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

SCHEDULE 9

Generator Imbalance Service

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. The Transmission Customer must purchase this service directly from the Control Area operator, or indirectly from the Transmission Provider, or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule or a penalty for hourly energy imbalances under Schedule 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The Transmission Provider shall establish charges for generator imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of each month, at 100 percent

of incremental or decremental cost, (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled at 125 percent of incremental cost or 75 percent of decremental cost, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW. An intermittent resource, for the limited purpose of this Schedule is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

Notwithstanding the foregoing, deviations from scheduled transactions in order to respond to directives by the Transmission Provider, a balancing authority, or a reliability coordinator shall not be subject to the deviation bands identified above and, instead, shall be settled financially, at the end of the month, at 100 percent of incremental and decremental cost. Such directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.

For purposes of this Schedule, incremental cost and decremental cost represent the Transmission Provider's actual average hourly cost of the last 10 MW dispatched for any purpose, e.g., to supply the Transmission Provider's Native Load Customers, correct imbalances, or make off-system sales, based on the replacement cost of fuel, unit heat rates, start-up costs (including any commitment and redispatch costs), incremental operation and maintenance costs, and purchased and interchange power costs and taxes, as applicable.

The Western Area Power Administration - Western Area Colorado Missouri (WACM) Control Area is the Control Area operator for the Transmission System.

ATTACHMENT A

Form Of Service Agreement For Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and Between _____ (the Transmission Provider), and _____ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application processing fee in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 The Transmission Customer agrees to pay any incremental or new taxes as provided for in Section 34.6 of the Tariff.
- 7.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Transmission Customer:

8.0 The Tariff is incorporated herein and made a part hereof.

9.0 Charges for Service: Charges for Firm Point-To-Point Transmission Service shall be calculated in accordance with Schedule 7 attached hereto and made a part of this Service Agreement.

10.0 Transmission capacity: Due to the nature of the MBPP, the total transmission capacity of Basin Electric's Transmission System may vary. As a result:

- a. If there is a reduction in total transmission capacity, the reservation under this Service Agreement will be reduced in accordance with the NERC transmission service reservation priorities, as follows:
 - i. First, Non-Firm Point-to-Point Transmission Service
 - ii. Second, Short-Term Firm Point-to-Point Transmission Service
 - iii. Third, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service

If there are multiple reservations within each category, the shortest term reservation will be reduced first. For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, all reservations will be reduced pro rata.

- b. If there is an increase in total transmission capacity, Transmission Customers and Network Customers will have the opportunity to increase the reservation under this Service Agreement in accordance with the NERC transmission service reservation priorities, as follows:
 - i. First, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service

- ii. Second, Short-Term Firm Point-to-Point Transmission Service
- iii. Third, Non-Firm Point-to-Point Transmission Service

For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, if more than one customer desires to increase its reservation, the reservations will be increased pro rata. If there are multiple reservations within the second or third categories, the Transmission Customer with the longest term reservation will be given the first opportunity to increase its reservation.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

Specifications For Long-Term Firm Point-To-Point
Transmission Service

- 1.0 Term of Transaction: _____
- Start Date: _____
- Termination Date: _____
- 2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.
- _____
- 3.0 Point(s) of Receipt: _____
- Delivering Party: _____
- 4.0 Point(s) of Delivery: _____
- Receiving Party: _____
- 5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity) : _____
- 6.0 Designation of party(ies) subject to reciprocal service obligation: _____
- 7.0 Name(s) of any Intervening Systems providing transmission service:
- _____
- _____

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge:

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge:

8.4 Ancillary Services Charges:

ATTACHMENT A-1

Form Of Service Agreement For The Resale, Reassignment Or Transfer Of Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____(the Transmission Provider), and _____(the Assignee).
- 2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee, to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.
- 4.0 The Transmission Provider shall credit the Reseller for the price reflected in the Assignee's Service Agreement or the associated OASIS schedule.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Assignee:

6.0 The Tariff is incorporated herein and made a part hereof.

7.0 Transmission capacity: Due to the nature of the MBPP, the total transmission capacity of Basin Electric's Transmission System may vary. As a result:

- a. If there is a reduction in total transmission capacity, the reservation under this Service Agreement will be reduced in accordance with the NERC transmission service reservation priorities, as follows:
 - i. First, Non-Firm Point-to-Point Transmission Service
 - ii. Second, Short-Term Firm Point-to-Point Transmission Service
 - iii. Third, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service

If there are multiple reservations within each category, the shortest term reservation will be reduced first. For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, all reservations will be reduced pro rata.

- b. If there is an increase in total transmission capacity, Transmission Customers and Network Customers will have the opportunity to increase the reservation under this Service Agreement in accordance with the NERC transmission service reservation priorities, as follows:

- i. First, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service
- ii. Second, Short-Term Firm Point-to-Point Transmission Service
- iii. Third, Non-Firm Point-to-Point Transmission Service

For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, if more than one customer desires to increase its reservation, the reservations will be increased pro rata. If there are multiple reservations within the second or third categories, the Transmission Customer with the longest term reservation will be given the first opportunity to increase its reservation.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name Title Date

Assignee:

By: _____
Name Title Date

Specifications For The Resale, Reassignment Or Transfer of
Long-Term Firm Point-To-Point Transmission Service

- 1.0 Term of Transaction: _____
- Start Date: _____
- Termination Date: _____
- 2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.
- _____
- 3.0 Point(s) of Receipt: _____
- _____
- Delivering Party: _____
- 4.0 Point(s) of Delivery: _____
- Receiving Party: _____
- 5.0 Maximum amount of reassigned capacity: _____
- 6.0 Designation of party(ies) subject to reciprocal service obligation: _____
- 7.0 Name(s) of any Intervening Systems providing transmission service:
- _____
- _____
- _____
- _____

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge:_____

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge:_____

8.4 Ancillary Services Charges:_____

9.0 Name of Reseller of the reassigned transmission capacity:

ATTACHMENT B

Form Of Service Agreement For Non-Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Transmission Customer:

7.0 The Tariff is incorporated herein and made a part hereof.

8.0 Charges for Service: Charges for Firm Point-To-Point Transmission Service shall be calculated in accordance with Schedule 7 attached hereto and made a part of this Service Agreement.

9.0 Transmission capacity: Due to the nature of the MBPP, the total transmission capacity of Basin Electric's Transmission System may vary. As a result:

- a. If there is a reduction in total transmission capacity, the reservation under this Service Agreement will be reduced in accordance with the NERC transmission service reservation priorities, as follows:
 - i. First, Non-Firm Point-to-Point Transmission Service
 - ii. Second, Short-Term Firm Point-to-Point Transmission Service
 - iii. Third, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service

If there are multiple reservations within each category, the shortest term reservation will be reduced first. For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, all reservations will be reduced pro rata.

- b. If there is an increase in total transmission capacity, Transmission Customers and Network Customers will have the opportunity to increase the reservation under this Service Agreement in accordance with the NERC transmission service reservation priorities, as follows:

- i. First, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service
- ii. Second, Short-Term Firm Point-to-Point Transmission Service
- iii. Third, Non-Firm Point-to-Point Transmission Service

For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, if more than one customer desires to increase its reservation, the reservations will be increased pro rata. If there are multiple reservations within the second or third categories, the Transmission Customer with the longest term reservation will be given the first opportunity to increase its reservation.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

ATTACHMENT C

Methodology To Assess Available Transfer Capability

- (1) Detailed description of the specific mathematical algorithm used to calculate firm and non-firm Available Transfer Capability (“ATC”) for scheduling, operating and planning horizons.

Scheduling Horizon

- a. Firm ATC = TTC – TRM – ETC
- b. Non-Firm ATC = TTC – TRM*Coef – ETC

Operating Horizon

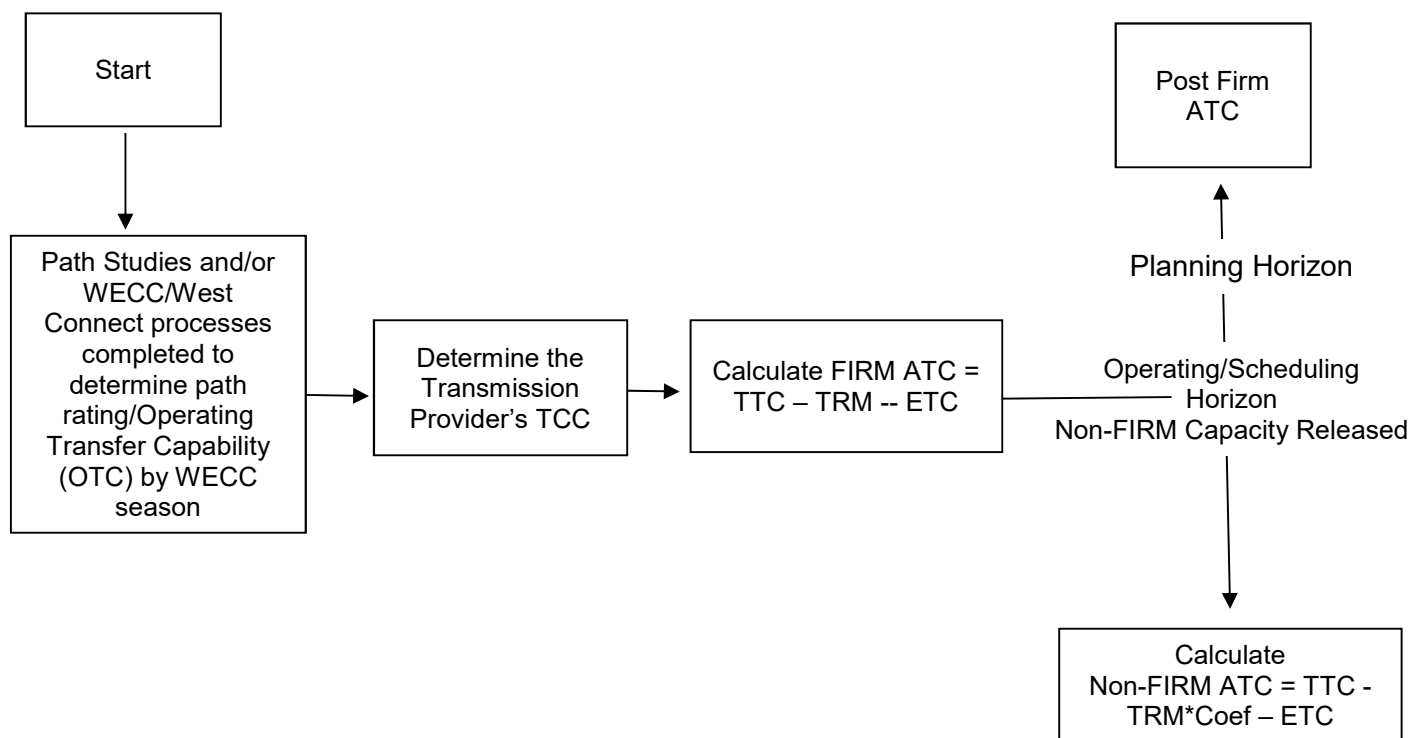
- a. Firm ATC = TTC – TRM – ETC
- b. Non-Firm ATC = TTC – TRM*Coef – ETC

Planning Horizon

- a. Firm ATC = TTC -- TRM - ETC
- b. Non-Firm ATC = TTC - ETC

The Transmission Provider’s ATC algorithms are also available on the Transmission Provider’s OASIS website.

- (2) A process flow diagram that illustrates the various steps through which ATC/AFC is calculated



(3) Detailed explanation of how each of the ATC components is calculated for both the operating and planning horizons

a. For TTC:

i. Definition of TTC:

Total Transfer Capability (TTC): The amount of electric power that can be transferred over a specific path within the Transmission Provider's interconnected transmission network in a reliable manner while meeting all of a specific set of defined pre- and post- contingency system conditions. TTC is a variable quantity, dependent upon operating conditions in the near term and forecasted conditions in the long term. TTC shall be calculated consistent with the requirements of FERC, NERC, and WECC as needed to represent system conditions, but no less frequently than seasonally. TTC cannot exceed the path rating.

ii. TTC calculation methodology.

- For transmission facilities that will affect the Western Interconnection, the determination of TTC is accomplished through the WECC Path Rating Process. The Transmission Provider follows the ATC methodology adopted by WECC and presented in the WECC Document Determination of Available Transfer Capability Within the Western Interconnection. Seasonal Operating Transfer Capability (OTC) studies are completed to determine the limit at which a transmission path can be operated at and still meet reliability requirement under an N-1 (single contingency) condition. The study results are reviewed and approved through WECC Operating Transfer Capability Planning Committee (OTCPC) regional processes.
- TTC is determined either prior to a new transmission component being brought into service or when a modification to a transmission component would affect the TTC.
- Once the TTC determination is made, it remains fixed and changes only if there is a physical or operational change to the transmission system or a transmission component which requires a change to TTC.
- When transmission facilities are jointly owned, the capacity is allocated among the owners based on the joint ownership or participation agreement; therefore, the TTC of the jointly owned facilities will be based upon the capacity allocated to each Transmission Provider.
- If a WECC defined path must be separated into components to properly allow for the commercial use of the path and its components, the components' TTCs will be based on the same studies used to determine the path OTC or the thermal rating of the components. The sum of the components' TTCs will not exceed the path OTC.
- For internal constraints, the net of local load and local generation may be used to determine TTC and/or ATC.

- Narratives explaining changes to monthly and/or yearly TTC are posted on the Transmission Provider's OASIS.

iii. List of databases used in TTC assessments:

The Transmission Provider utilizes the NERC and WECC contract path methodology to determine TTC on its Transmission System. The determination of the TTC for paths on the Transmission System is segment dependent. However, the tools used to determine TTC is the same for all segments, i.e., the GE PSLF powerflow and stability programs using system modeling data obtained through WECC.

iv. Assumptions used in TTC assessments:

Paths with established transfer capabilities will not be evaluated unless there is a valid reason for doing so, such as a component change or new configuration, which could affect the transfer capability. Should a change in a WECC rated path warrant restudying, the required studies for the path will be performed through the WECC Path Rating Process. Should a change in a non-WECC rated path warrant restudying, the required studies for the path will follow the WECC rated path methodology, but not be brought through the WECC Path Rating Process. However, the study process will be performed through the applicable regional or subregional planning group.

b. For ETC:

i. Definition of ETC.

Existing Transmission Commitments (ETC): ETC is transmission that is already committed for use.

There are four types of committed uses: 1) native load uses; 2) existing commitments for purchase/exchange/deliveries/sales; 3) existing commitments for transmission service (Pre-FERC Order No. 888, Post-FERC Order No. 888, Point-to-Point and Network); and 4) other pending potential uses of transfer capability (non-confirmed transmission service requests). The Transmission Provider determines ETC as the total of all contracts using a contract path methodology.

ii. Explanation of calculation methodology used to determine the transmission capacity to be set aside for Native Load Customers and non-Tariff customers:

- The Transmission Provider shall determine the impact of firm ETCs based on the following inputs:
- The transmission capability utilized in serving congressionally mandated power deliveries to any preference customers from the Federally owned generating plants.
- The impact of firm Network Integration Transmission Service serving load, to include load forecast error and losses not otherwise included in TRM.
- The impact of grandfathered firm transmission service agreements and bundled contracts for energy and transmission, where executed prior to the Effective Date.
- The impact of Firm Point-to-Point Transmission Service.
- The impact of any Ancillary Services not otherwise included in TRM.
- Post-backs of redirected or released firm services.
- The impact of any other services, contracts, or agreements not specified above using transmission that serves preference customers or Network Integration Transmission Service customers.

iii. How Point-to-Point Transmission Service requests are incorporated.

Point-to-Point service agreements are modeled using the specified megawatt quantity, Point of Receipt, Point of Delivery, and contract term.

iv. How rollover rights are accounted for:

The Transmission Provider takes into consideration an existing Transmission Customer's rollover rights when

assessing whether to confirm a new request for Long-Term Firm Point-to-Point Transmission Service. The Transmission Provider posts on OASIS potentially available ATC, including capacity associated with the rollover rights, but it does not grant new transmission service until such rollover rights have expired. This approach allows a customer viewing the Transmission Provider's posted ATC to consider all potentially available ATC and submit a request to obtain a queue position, should the existing Transmission Customer allow its rollover rights to expire. An OASIS assignment reference and queue time will be given to these new requestors. The new requests will be evaluated with the assumption that the existing Transmission Customer's rollover rights will rollover. If there is insufficient capacity to accommodate the transmission service request, the requests will follow the system impact study procedure outlined in section 19 of the Tariff.

- v. Processes for ensuring that non-firm capacity is released properly:

The Transmission Provider uses an offset value to account for unused transmission capacity which has not been scheduled (tagged) including the impact of netting schedules in the opposite direction. A portion of the unused capacity is added to the non-firm ATC formula, thus increasing the ATC posting on OASIS. Due to the uncertain nature of this process and to prevent over-posting and subsequent curtailment of schedules, the Transmission Provider uses larger value of offset for the immediate hours than several hours in the future.

- c. If a Transmission Provider uses an AFC methodology to calculate ATC, it shall: (i) explain its definition of AFC; (ii) explain its AFC calculation methodology, (iii) explain its process for converting AFC into ATC for OASIS posting, (iv) list the databases used in its AFC assessments; and (v) explain the assumptions used in its AFC assessments regarding load levels, generation dispatch, and modeling of planned and contingency outages.

The Transmission Provider does not use an AFC methodology to calculate ATC.

- d. For TRM:

i. Definition of TRM:

Transmission Reliability Margin (TRM): The amount of transmission transfer capability necessary to provide reasonable assurance that the interconnected transmission network will be secure, TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change.

ii. TRM calculation methodology:

The Transmission Provider currently reserves TRM to support the activation of operating reserves via participation in Rocky Mountain Reserve Sharing Group and/or Southwest Reserve Sharing Group. The Transmission Provider's obligation to deliver reserves is calculated at a minimum of twice a year by the Reserve Sharing Group. In addition, the Transmission Provider may include an additional transmission capacity to account for its Network Customers' load forecast error and at certain paths to account for unscheduled flow.

iii. Databases used in TRM assessments:

The Transmission Provider uses a value between 0 to 1 for TRM Coefficient to release a portion of the capacity reserved under TRM as non-firm. The Transmission Provider uses its scheduling system, PI, and SCADA, WECC bases cases, and PSS E or GE PSLF in its calculation of TRM.

iv. Conditions under which the Transmission Provider uses TRM:

The Transmission Provider may use TRM for any of the following:

- Transmission necessary for the activation of operating reserves;
- Unplanned transmission outages;
- Simultaneous limitations associated with operating under a nomogram;

- Loading variations due to balancing of generation and load;
- Uncertainty in load distribution and/or load forecast;
- Allowed for unscheduled flow.

e. For CBM:

- i. Identification of the entity who performs the resource adequacy for CBM determination:

The Transmission Provider does not utilize CBM.

- ii. The methodology used to perform the generation reliability assessment:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

- iii. Explanation of whether the assessment method reflects a specific regional practice:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

- iv. Assumptions used in this assessment:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

- v. Basis for the selection of paths on which CBM is set aside:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

f. Additionally for CBM:

- i. Explain definition of CBM:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

- ii. List of databases used in CBM calculations:

The Transmission Provider does not use any databases in its CBM calculation,

- iii. Demonstration that there is no double-counting of outages when performing CBM, TTC and TRM calculations:

Since the Transmission Provider has established CBM as zero on all transmission paths, the Transmission Provider cannot double count for outages.

- g. Procedures for allowing use of CBM during emergencies (with explanation of what constitutes an emergency, entities that are permitted to use CBM during emergencies and procedure which is followed by the Transmission Provider's merchant function and other load-serving entities when they need to access CBM:

At this time, the Transmission Provider's Network Customers have not requested CBM set aside, therefore the Transmission Provider does not have CBM set aside.

ATTACHMENT D

Methodology for Completing a System Impact Study

Upon receipt of a valid request for service pursuant to the applicable terms and conditions of the Tariff, the Transmission Provider will perform a System Impact Study on a non-discriminatory basis for the requested transmission service. The study will employ Good Utility Practice, the engineering and operating principles, standards, guidelines, and criteria of the Transmission Provider, and applicable guidelines and standards established by the NERC, WECC, and any entity that has been authorized to promulgate or apply regional or national reliability planning standards (such as a regional transmission group), or any similar organization that may exist in the future of which the Transmission Provider is a member.

The Transmission Provider shall use its sole discretion as to the scope, details and methods used to perform the System Impact Study. However, at all times, the Transmission Provider will utilize methods and criteria consistent with those employed by the Transmission Provider for evaluating requirements for its Native Load Customers. Where possible, the Transmission Provider will utilize existing studies to evaluate new or upgraded service requests.

ATTACHMENT E**Index Of Point-To-Point Transmission Service Customers**

<u>Customer</u>	<u>Date of service Agreement</u>
Public Service Company of Colorado	10/1/2000
Tri-State Generation and Transmission Association, Inc.	2/13/2002
Aquila, Inc. d/b/a Aquila Networks	8/8/2002
Aquila, Inc. d/b/a Aquila Networks-WPC	8/8/2002
Aquila, Inc. d/b/a Aquila Networks-WPK	8/8/2002
Black Hills Generation	9/9/2002
Black Hills Power	9/9/2002
Cargill Power Markets, LLC	1/30/2003
Morgan Stanley Capital Group, Inc.	2/24/2003
PacifiCorp	6/13/2005
Western Area Power Administration - Loveland Area Projects Marketing (LAP)	9/23/2008
Western Area Power Administration - Loveland Area Projects Marketing (LAP)	9/23/2008
Tenaska Power Services Co.	4/1/2010
Tenaska Power Services Co.	4/1/2010
Black Hills Power as a designated agent for Black Hills/Colorado Electric Utility Co., LP	11/29/2010
Black Hills Power as a designated agent for Black Hills/Colorado Electric Utility Co., LP	11/29/2010

EDF Trading North America, LLC	11/29/2010
EDF Trading North America, LLC	11/29/2010
Powerex Corp.	2/24/2011
Kansas Energy LLC	3/10/2011
Kansas Energy LLC	3/10/2011
Rainbow Energy Marketing Corporation	6/7/2011
Rainbow Energy Marketing Corporation	6/7/2011
PPL EnergyPlus, LLC, Registered with North American Electric Reliability Corporation as EPLU	8/15/2014
PPL EnergyPlus, LLC, Registered with North American Electric Reliability Corporation as EPLU	8/15/2014
Municipal Energy Agency of Nebraska, registered with North American Electric Reliability Corporation as MEANMN	11/21/2014
Municipal Energy Agency of Nebraska, registered with North American Electric Reliability Corporation as MEANMN	11/21/2014
Canadian Wood Products-Montreal Inc., registered with the North American Electric Reliability Corporation as CWPE01	1/7/2016
Canadian Wood Products-Montreal Inc., registered with the North American Electric Reliability Corporation as CWPE01	1/7/2016
Westar Energy, Inc., registered with North American Electric Reliability Corporation as WRGS	1/12/2016
Westar Energy, Inc., registered with North American Electric Reliability Corporation as WRGS	1/12/2016
ETC Endure Energy, LLC., registered with North American Electric Reliability Corporation as ENDU	8/14/2017
ETC Endure Energy, LLC., registered with North American Electric Reliability Corporation as ENDU	8/14/2017

Shell Energy North America (US), L.P., registered with the North American Electric Reliability Corporation as CORP	2/12/2018
Shell Energy North America (US), L.P., registered with the North American Electric Reliability Corporation as CORP	2/12/2018
Western Area Power Administration - Loveland Area Projects Marketing (LAPM)	8/14/2018
Macquarie Energy LLC, Registered with North American Electric Reliability Corporation as MCPI	12/27/2018
Macquarie Energy LLC, Registered with North American Electric Reliability Corporation as MCPI	12/27/2018
MAG Energy Solutions, Inc.	1/22/2019
MAG Energy Solutions, Inc.	1/22/2019

*All Short-Term Firm Point-to-Point Transmission Service agreements are listed on the Transmission Provider's OASIS

ATTACHMENT F

Service Agreement For Network Integration Transmission Service

- 1.0 This Service Agreement, dated as of _____ is entered into, by and between (the Transmission Provider), and _____ (Network Customer).
- 2.0 The Network Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Tariff.
- 3.0 The Network Customer has provided the Transmission Provider an Application deposit in the amount of \$____, in accordance with the provisions of Section 29.2 of the Tariff.
- 4.0 The Network Customer and the Transmission Provider have completed all necessary technical arrangements in accordance with the provisions of Sections 29.3 and 29.4 of the Tariff.
- 5.0 The Network Customer has executed a Network Operating Agreement with the Transmission Provider in accordance with Section 35.2 of the Tariff, as it may be amended from time to time.
- 6.0 Service under this Service Agreement shall commence on the later of: (1) the requested Start Date as stated in Section 1 of the Specifications to this Service Agreement, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this Service Agreement shall terminate on the Termination Date as stated in Section 1 of the Specifications to this Service Agreement.
- 7.0 The Transmission Provider agrees to provide and the Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III of the Tariff, as it may be amended from time to time, and this Service Agreement.
- 8.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Network Customer:

9.0 The Tariff, as it may be amended from time to time, Specifications for Network Integration Transmission Service, and the Network Operating Agreement are incorporated herein and made a part hereof.

8.0 Transmission capacity: Due to the nature of the MBPP, the total transmission capacity of Basin Electric's Transmission System may vary. As a result:

- a. If there is a reduction in total transmission capacity, the reservation under this Service Agreement will be reduced in accordance with the NERC transmission service reservation priorities, as follows:
 - i. First, Non-Firm Point-to-Point Transmission Service
 - ii. Second, Short-Term Firm Point-to-Point Transmission Service
 - iii. Third, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service

If there are multiple reservations within each category, the shortest term reservation will be reduced first. For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, all reservations will be reduced pro rata.

- b. If there is an increase in total transmission capacity, Transmission Customers and Network Customers will have the opportunity to increase the reservation under this Service Agreement in accordance with the NERC transmission service reservation priorities, as follows:
 - i. First, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service

- ii. Second, Short-Term Firm Point-to-Point Transmission Service
- iii. Third, Non-Firm Point-to-Point Transmission Service

For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, if more than one customer desires to increase its reservation, the reservations will be increased pro rata. If there are multiple reservations within the second or third categories, the Transmission Customer with the longest term reservation will be given the first opportunity to increase its reservation.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name Title Date

Network Customer:

By: _____
Name Title Date

Specifications for Network Integration Transmission Service

1.0 Term of Service: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Controls Area in which the transaction originates.

3.0 Network Resources: _____

Total Network Resources: _____

4.0 Network Loads: _____

Total Network Loads: _____

5.0 Designation of party(ies) subject to reciprocal service obligation: _____

6.0 Name of any intervening systems providing transmission service: _____

7.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

1.1 Load Ratio Share of Annual Transmission Revenue Requirement as determined pursuant to Section 34 of the Tariff: _____

1.1.1 For the first twelve months of Network Integration Transmission Service under this Service Agreement commencing on the Start Date set forth in Section 1, above, the Network Customer's Load Ratio Share will be determined based on the Network Customer's average

Load Ratio Share in the months in which the Network Customer has taken Network Integration Transmission Service.

1.1.2 After the first twelve months of Network Integration Transmission Service, the Load Ratio Share will be calculated on a rolling twelve-month average basis.

1.2 System Impact and/or Facilities Study Charge(s): _____

1.3 Direct Assignment Facilities Charge: _____

1.4 Ancillary Services Charges: _____

1.5 Redispatch Charge(s): _____

ATTACHMENT G

Network Operating Agreement

[Note: It may be necessary to include additional provisions or revise the provisions of this Network Operating Agreement to take into account the particular circumstances of a Network Customer. Transmission Provider reserves the right to modify this form of Network Operating Agreement for individual Network Customers.]

_____ (Transmission Provider) and _____ (Network Customer) agree that the provisions of this Network Operating Agreement (NOA), dated _____ and the Parties' Service Agreement for Network Integration Transmission Service dated _____ (Service Agreement) govern the transmission service to the Network Customer in accordance with the Transmission Provider's Open Access Transmission Tariff (Tariff). Unless specified herein, capitalized terms shall refer to the terms defined in the Tariff.

1.0 Character of Service

Power and energy delivered under the Service Agreement and this NOA shall be delivered as three-phase alternating current at a frequency of approximately sixty (60) Hertz, and at the nominal voltages at the Point(s) of Delivery (POD) and Point(s) of Receipt as specified in the Service Agreement.

2.0 Balancing Authority Area Requirements

- (a) Neither the Transmission Provider nor the Network Customer is a Balancing Authority Area (referred to and defined as "Control Area" in the Tariff). The Network Customer shall satisfy its requirements, including all Ancillary Services not procured from the Transmission Provider nor self-provided, by contracting with another entity that can satisfy those requirements in a manner that is consistent with Good Utility Practice and satisfies NERC and WECC standards.
- (b) The Network Customer shall report all existing and future Generation Source(s) (defined in Section 6 of this NOA) connected to its system to the Transmission Provider and the Balancing Authority Area operator. The Network Customer shall report all planned Generation Source(s) with as much notice as practical to the Transmission Provider and the Balancing Authority Area operator. The Network Customer shall report the type of generation installed or to be installed, the total name plate rating of the generation to be installed and the electrical location of where the generation is installed or will be installed. Network Customer agrees to telemeter in real time all generation to the

Transmission Provider and the Balancing Authority Area operator in a format acceptable to the parties.

- (c) If the Balancing Authority Area sets forth any other requirements either on the Transmission Provider or the Transmission Customer as a result of the Network Customer's transmission service under this NOA, all costs associated with complying with those requirements will be the responsibility of the Network Customer.
- (d) The Network Customer and the Transmission Provider shall plan, construct, operate, and maintain their respective facilities and system in accordance with Good Utility Practice, which shall include, but not be limited to, all applicable guidelines of NERC and WECC, as they may be modified from time to time, and any generally accepted practices in the region.

3.0 Operating Requirements

- (a) The Network Customer shall operate its existing and future Generation Sources in a manner consistent with that of the Transmission Provider, including following voltage schedules, providing governor response, meeting power factor requirements at the point of interconnection with the Transmission System, and other such criteria required by NERC and WECC and/or consistently adhered to by the Transmission Provider and in a manner consistent with Good Utility Practice and applicable law.
- (b) Insofar as practicable, the Transmission Provider and the Network Customer shall protect, operate, and maintain their respective systems so as to avoid or minimize the likelihood of disturbances that might cause impairment of service on the system of the other.

4.0 Redispatch and Curtailment

If the Transmission Provider determines that redispatching resources or curtailing resources to relieve an existing or potential transmission system constraint is the most effective way to ensure the reliable operation of the Transmission System, the resources of the Transmission Provider and the Network Customer will be redispatched or curtailed without regard to the ownership of such resources. The Transmission Provider will apprise the Network Customer of its redispatch and curtailment practices and procedures, as they may be modified from time to time.

5.0 Load Shedding and Load Shedding Equipment

- (a) The Parties shall implement and maintain load shedding programs to maintain the reliability and integrity of the Transmission System, as provided in Section 33.6 of the Tariff. Load shedding shall include: (1) automatic load shedding

by underfrequency and/or undervoltage relay and (2) manual load shedding. The Transmission Provider will order load shedding to maintain the relative sizes of load served, unless otherwise required by circumstances beyond the reasonable control of the Transmission Provider. Automatic load shedding devices will operate without notice. However, when manual load shedding is necessary, the Transmission Provider shall notify the Transmission Customer's dispatchers or schedulers of the required action and the Transmission Customer shall comply immediately.

- (b) The Transmission Customer shall, at its own expense, provide, operate, and maintain in service high-speed, digital underfrequency and/or undervoltage load shedding equipment. The Transmission Customer will install underfrequency and/or undervoltage relays as necessary in a manner consistent with the Transmission Provider's existing coordinated Under Frequency Load Shedding Program and Under Voltage Load Shedding schemes when applicable in compliance with any applicable NERC and WECC requirements. If the Transmission Customer also has obligations under any NERC and WECC requirements and has not contractually delegated those responsibilities to the Transmission Provider, the Transmission Customer shall be responsible for all costs associated to provide, operate, and maintain in service the Transmission Customer's load shedding equipment in accordance with the applicable requirements.
- (c) In the event the Transmission Provider modifies its load shedding program, the Transmission Customer shall, at its expense, make all necessary changes to its automatic and manual load shedding (as applicable) equipment and the settings of such equipment. The Transmission Provider may request a test of the Transmission Customer's load shedding equipment with reasonable notice.
- (d) In the event that the Network Customer fails to shed load in accordance with this Section 5, the Network Customer shall be charged in accordance with the Tariff. Continued failure to comply with the load shedding requirements of this Section 5 may also result in termination of this NOA and the Service Agreement.

6.0 Metering

- (a) Meter Ownership, Operation and Maintenance Responsibilities.
 - i. All metering and associated metering equipment for this NOA shall conform to Good Utility Practice and the standards and practices for the Balancing Authority Area(s).
 - ii. POD Meters: The Transmission Provider owns and, at no expense to the

Transmission Customer, is responsible for operation, maintenance, repair, and replacement of the following POD meters and associated metering equipment (POD Meters):

- iii. Generation Source Meters: The Network Customer, at no expense to the Transmission Provider, shall own, procure, install, operate, maintain, repair, and replace meters and communication for all Network Customer's generating resources (including any generating resources located behind the POD for which the Network Customer takes title to or is deemed to take title to the energy of such generating resource) located behind the POD (Generation Source(s)), including meters currently existing at the Solar Sites (defined in Section 7 of this NOA) and meters installed on all future Generation Source(s) (these meters collectively are referred to as "Generation Source(s) Meters").
 - 1) At least sixty (60) calendar days in advance of operation of any new Generation Source(s) on the Network Customer's system, the Network Customer shall notify the Transmission Provider of any new Generation Source(s) used to serve the Network Customer's Network Load.
- iv. Network Resource Meters: The Network Customer, at no expense to the Transmission Provider, shall own, procure, install, operate, maintain, repair, and replace meters and communication at all Network Resources used to serve the Network Customer's Network Load.

(b) Losses.

Electric capacity and energy delivered to the Network Customer's Network Load by the Transmission Provider will be measured by meters installed at the POD for such Network Load.

(c) Meter Data.

- i. POD Meters.
 - 1) The Transmission Provider will read the POD Meters remotely.
 - 2) Transmission Provider shall make available, and Network Customer authorizes Transmission Provider to provide, revenue quality data on a real time basis necessary to determine Network Customer's Network Load to the Balancing Authority and to other transmission providers as necessary.
 - 3) The Network Customer shall support the Transmission Provider's

ability to read such meters remotely.

- 4) If at any time the Transmission Provider is unable to remotely read the POD Meters, and the issue causing the Transmission Provider's inability to read such meters is within the Network Customer's ability to resolve and the Network Customer fails to resolve such issue, Transmission Provider shall invoice the Network Customer based on the Network Customer's peak load provided in the data furnished under Section 9.b for the period under which Transmission Provider was unable to read such meters.
- 5) Transmission Provider's meter data information for the POD Meters will remain available to the Network Customer for three (3) years after the date of the meter reading.

ii. Generation Source(s) Meters.

- 1) Network Customer grants to the Transmission Provider the right to remotely read Network Customer's Generation Source(s) Meters located behind the POD and pursuant to Section 7 of this NOA, interrogate Network Customer's existing and any new generation remote terminal units (RTUs).
- 2) Network Customer will provide to Transmission Provider meter data information for any Generation Source(s) Meters not equipped to remotely read such information on a monthly basis no later than the 8th of every month. Should the 8th fall on a Saturday or Sunday or a holiday, the Generation Meter Data shall be submitted to the Transmission Provider no later than the first weekday prior to the 8th.
- 3) Generation reflected in the Network Customer's Generation Source(s) Meters will be added to the POD Meters (as adjusted for losses pursuant to Section 6.b) to determine Network Customer total monthly Network Load pursuant to Section 34 of the Tariff.
- 4) If at any time the Transmission Provider is unable to remotely read Network Customer's Generation Source(s) Meters or unable to interrogate Network Customer's generation RTUs, Transmission Provider may, at its sole discretion, include in the Network Customer's monthly invoice for Network Integrated Transmission Service the full name plate capability of the Network Customers Generation Source(s), regardless if the Generation Source(s) was on line until reliable telecommunications facilities are provided and Transmission Provider is able to remotely read Network Customer's

Generation Source(s) Meters and able to interrogate Network Customer's generation RTUs.

- 5) Network Customer's meter data information for the Generation Source(s) Meters will remain available to the Transmission Provider for three (3) years after the date of the meter reading.

(d) Meter Testing.

- i. At the Network Customer's expense, the Generation Source(s) Meters will be tested at least annually by the Network Customer. Representatives of the Transmission Provider will be afforded an opportunity to witness such tests. In the event the test shows the meter to be inaccurate, the Network Customer will make any necessary adjustments, repairs or replacements thereon.
- ii. At the Network Customer's expense, the Transmission Provider will, upon request of the Network Customer but not more than twice annually, test any POD Meters used for determining the receipt or delivery of capacity and energy by the Transmission Provider. In the event the test shows the meter to be inaccurate, the Transmission Provider will make any necessary adjustments, repairs or replacements thereon.
- iii. In the event any meter used to measure capacity and energy fails to register or is found to be inaccurate, appropriate billing adjustments will be made based on the best information available. An inaccurate meter is one that exceeds one percent (1%) plus or minus of the calibrated standard. If, as a result of any test, a meter is found to register in excess of one percent (1%) either above or below normal, then the reading of such meter previously taken will be corrected according to the percentage of inaccuracy so found, but no correction will extend beyond ninety (90) calendar days previous to the day on which the inaccuracy is discovered by such test.

(e) Meter Access:

- i. In the event that any of the POD Meters are located within or attached to the Network Customer's equipment, the Network Customer grants the right for such arrangement to the Transmission Provider, or its employees, agents and contractors, and grants access to the POD Meters at all reasonable hours and for any reasonable purpose, including but not limited to testing, maintenance, repair, replacement of the metering equipment and associated communication equipment.
- ii. The Network Customer grants to the Transmission Provider, its

employees, agents, and contractors, a non-exclusive license to install, operate, maintain, repair, replace, and test the Transmission Provider's equipment.

- iii. Should the Transmission Provider desire to witness the testing of the Generation Source(s) Meters located behind the POD pursuant to Section 6.d.i. of this NOA, the Network Customer permits the Transmission Provider access to such meters at all reasonable hours.

(f) Check Meters:

The Network Customer has the right, at its expense to install suitable metering equipment at any POD, as herein provided for the purpose of checking the meters installed by the Transmission Provider.

7.0 Operational Information

The Network Customer shall provide data to the Transmission Provider that is needed for the safe and reliable operation of the Network Customer's and the Balancing Authority Area(s) and to implement the provisions of the Tariff.

- (a) By September 1st of each year, the Network Customer shall provide its Network Resource availability forecast, including all Network Customer's Generation Source(s) (e.g., all planned resource outages, including off-line and on-line dates) for the following year to the Transmission Provider. Such forecast shall be made in accordance with Good Utility Practice. The Network Customer shall inform the Transmission Provider, in a timely manner, of any changes to the Network Customer's Network Resource availability forecast. In the event that the Transmission Provider determines that such forecast cannot be accommodated due to a transmission constraint on the Transmission System, or that such forecast may jeopardize the reliability of the Transmission Provider's system, the provisions of Section 33 of the Tariff will be implemented.
- (b) At least 48 hours in advance of the beginning of every calendar day, the Network Customer shall provide its best forecast of any planned transmission or Network Resource outage(s) and other operating information that would assist the Transmission Provider in the reliable operation of the Balancing Authority Area(s). In the event that such planned outages cannot be accommodated due to a transmission constraint on the Transmission Provider's Transmission System, the provisions of Section 33 of the Tariff will be implemented.
- (c) The Transmission Provider and the Network Customer shall notify and

coordinate with the other party prior to the commencement of any work by either party (or contractors or agents performing on work their behalf), which work may directly or indirectly have an adverse effect on the Balancing Authority Area(s) of the other party.

- (d) The Transmission Provider has established a Network Operating Committee (Committee) for all of the Transmission Provider's Network Customers in order to coordinate operating criteria for the Parties' respective responsibilities under their Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

8.0 Network Planning

- (a) To protect the integrity of the transmission systems, the Network Customer shall not connect or allow any third-party to connect an electric generating facility to the Transmission Provider's or the Network Customer's transmission or distribution system ("Proposed Interconnection") until the Network Customer and Transmission Provider have studied, or have reviewed the other Party's study, assessing the impacts of the Proposed Interconnection on the Parties' transmission and distribution systems. Any Proposed Interconnection shall be consistent with: 1) Transmission Provider's Tariff; 2) any applicable NERC requirements; and 3) facility interconnection requirements as may be required by Transmission Provider, Network Customer, or a third party, as applicable. Any required mitigation methods identified in the studies shall be agreed to among the applicable parties prior to such connection.
- (b) In order for the Transmission Provider to plan, on an ongoing basis, to meet the Network Customer's requirements for Network Integration Transmission Service, the Network Customer shall provide, by September 1st of each year, updated information (current year and 10-year projection) for Network Load and Network Resources including all Network Customer's Generation Source(s), any other information reasonably necessary to plan for Network Load and Network Resources, and any other information reasonably necessary to plan for Network Integration Transmission Service. This type of information is consistent with the Transmission Provider's information requirements for planning to serve Native Load Customers. The data will be provided in a format consistent with that used by the Transmission Provider.

9.0 Transfer of Power and Energy Through Other Systems

Since the Transmission System is, and will be, directly or indirectly connected

with other electric systems, it is recognized that, because of the physical and electrical characteristics of the facilities involved, power delivered under the Service Agreement and this NOA may flow through such other systems. The Parties agree to advise other operators of electric systems as deemed appropriate of scheduled transfers and to maintain good relationships with affected third parties.

10.0 Dispute Resolution

Any dispute among the Parties regarding this NOA shall be resolved pursuant to Section 12 of the Tariff, or otherwise, as mutually agreed by the Parties.

11.0 Notice

Any notice or request made to or by either Party regarding this NOA shall be made to the representative of the other Party as indicated in the Service Agreement.

12.0 Incorporation

The Tariff and the Service Agreement are incorporated herein and made a part hereof.

13.0 Term

The term of this NOA shall be concurrent with the term of the Service Agreement between the Parties.

14.0 Severability

In the event that any of the terms, covenants or conditions of this NOA, its exhibits, or the application of any such term, covenant, or condition shall be held invalid by any court or administrative body having jurisdiction, it is the intention of the Parties that in lieu of each such term, covenant or condition that is invalid, there be added as part of this NOA, a valid term, covenant, or condition as similar in terms as possible to such invalid term, covenant or condition. The other terms of this NOA shall not be affected by a holding that any term hereof is invalid; and they shall remain in full force and effect notwithstanding any such holding.

15.0 Amendments

This NOA may be amended, changed, modified or altered, provided that such amendment, change, modification or alteration shall be in writing and signed by both Parties.

16.0 Governing Law

Except as governed by federal law, this NOA shall be governed by and construed in accordance with internal laws of the State of Colorado, without giving effect to any choice or conflict of law provision or rule (whether of the State of Colorado or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of Colorado.

17.0 Liability

Neither Party and its directors, officers, employees or agents shall be liable for any loss of earnings, revenues, indirect or consequential damages or injury which may occur to the other Party as a result of outages in delivery of service hereunder.

IN WITNESS WHEREOF, the parties have caused this NOA to be executed by their respective authorized officials.

TRANSMISSION PROVIDER

By: _____

Name	Title	Date
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NETWORK CUSTOMER.

By: _____

Name	Title	Date
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ATTACHMENT H

Annual Transmission Revenue Requirement For Network Integration Transmission Service

1. The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service shall be \$6,548,163.
2. The amount in (1) shall be effective until amended by the Transmission Provider or modified by the Commission.

ATTACHMENT I

Index of Network Integration Transmission Service Customers

Customer	Date of Service Agreement
Basin Electric Power Cooperative*	4/29/1977

*Existing firm service equivalent to Network Integration Transmission Service provided pursuant to the Missouri Basin Power Project Laramie River Electric Generating Station and Transmission System Participation Agreement

ATTACHMENT J

Procedures for Addressing Parallel Flows

The Transmission Provider shall implement Curtailment of Transmission Service in accordance with NERC and WECC guidelines and policies, including congestion management under WECC Standard IRO-STD-000-0.

ATTACHMENT K

Transmission Planning Process

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 - A. Transmission Provider-WestConnect Coordination
 - B. Procedures Regional Planning Project Review
- V. Dispute Resolution

- A. WECC
 - B. Non-WECC Disputes
 - C. Resolution by FERC
 - D. Disputes Between PMC Members
- VI. Cost Allocation
 - A. Local Transmission Projects
 - B. Regional Transmission Projects
- VII. Interregional Planning
 - A. Definitions
 - B. Annual Interregional Information Exchange
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 - D. ITP Joint Evaluation Process
 - E. Interregional Cost Allocation Process
 - F. Application of Regional Cost Allocation Methodology to Selected ITP
- VIII. Recovery of Planning Costs

Exhibit 1

Attachment K

Transmission Planning Process

I. Overview of the Basin Electric Missouri Basin Power Project Transmission Planning Process

Basin Electric Power Cooperative (Basin Electric) jointly owns a transmission system referred to as the Missouri Basin Power Project (MBPP). This Attachment K applies only to Basin Electric's Transmission System, as defined in Section 1 of this Tariff. Transmission Provider provides Point-To-Point Transmission Service (PTP) and Network Integration Transmission Services (NITS) under this Tariff. The Tariff Administrator shall administer the Transmission Provider's responsibilities related to the regional transmission planning process contained in this Attachment K, as applicable.

Transmission Provider's transmission planning process is intended to facilitate the development of electric infrastructure that maintains reliability, responds to service requests and meets load growth, and is based on the following objectives:

- Maintain reliable electric service.
- Improve the efficiency of electric system operations, including the provision of open and non-discriminatory access to its transmission facilities.
- Identify and promote new investments in transmission infrastructure in a coordinated, open, transparent and participatory manner.

The transmission planning process conducted by Transmission Provider allows interested parties, including, but not limited to, NITS and PTP customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources, neighboring transmission providers, state and local regulatory bodies, and other stakeholders (jointly, Stakeholders) input into and participation in all stages of development of the transmission plan, including participation in a series of open planning meetings.

In addition to its local transmission planning process, Transmission Provider coordinates its transmission planning with other transmission providers and Stakeholders in the Rocky Mountain region, and the Western Interconnection as a whole, through its active participation in the Colorado Coordinated Planning Group (CCPG), membership in the Western Electricity Coordinating Council (WECC), and membership in WestConnect. WestConnect was formed under a memorandum of understanding voluntarily entered into by FERC jurisdictional and non-jurisdictional transmission-providing electric utilities in the Western Interconnection. The purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western

Interconnection organizations and market shareholders, and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint. The WestConnect Order No. 1000 regional transmission planning management committee (the Planning Management Committee or PMC) will conduct the regional transmission planning process under the principles set forth in FERC's order *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 (2007), *et al.* (collectively, "Order No. 890"), and carried forward in FERC's order *Transmission Planning and Cost Allocation by Transmission Owning and Operating Utilities*, Order No. 1000, 136 FERC ¶ 61,051 (2011), *et al.* (collectively, "Order No. 1000").

Three subregional planning groups operate within the WestConnect footprint: CCPG, the Southwest Area Transmission (SWAT) group, and the Sierra Coordinated Planning Group. WestConnect's planning effort, which includes funding and provision of planning management, analysis, report writing, and communication services, supports and manages the coordination of the subregional planning groups and their respective studies. Such responsibilities are detailed in the WestConnect Project Agreement for Subregional Transmission Planning (WestConnect STP Agreement), dated May 23, 2007 (*see* www.westconnect.com), the WestConnect Planning Participation Agreement Amended and Restated February 8, 2016 (*see* www.westconnect.com), and other project agreements that may be entered into from time to time. The Transmission Provider is a signatory to the WestConnect STP Agreement.

The subregional planning groups within the WestConnect footprint, assisted by the WestConnect planning manager, formed the WestConnect Planning Management Committee to comply with the requirements of Order No. 890 and Order No. 1000 and coordinate with other Western Interconnection transmission providers and their regional and subregional planning groups. WECC provides for the development and maintenance of an economic transmission study database for the entire Western Interconnection and performs annual congestion studies at the Western Interconnection regional level. The Transmission Provider's participation in interregional planning in compliance with Order No. 1000 is set out in Part VIII of this Attachment K.

A. Definitions

Capitalized terms used within this Attachment K that are not otherwise defined herein will have the same meaning as in Part I, Section 1 of the Tariff or in the WestConnect Planning Participation Agreement.

1. Additional Economic Studies: Economic Study Requests that are not prioritized as the highest priority local study.
2. Alternative Qualifying Entity: As described in Section III.D.2.1

3. CCPG: Colorado Coordinated Planning Group or its successor organization.
4. Economic Study: An economic planning study designed to identify solutions that could relieve transmission congestion or integrate new resources and loads, including facilities to integrate new resources and loads on an aggregated or regional basis.
5. Economic Study Request: A request for an Economic Study. The Transmission Provider will classify each Economic Study Request as a Local Transmission Provider Economic Planning Request, Sub-Regional Economic Planning Request, or Regional Economic Planning Request.
6. Eligible Transmission Developers: As described in Section III.D.3.
7. Independent Transmission Developers and Owners: A WestConnect membership sector.
8. Key Interest Groups: A WestConnect membership sector
9. Local Transmission Plan or LTP: The transmission plan of the Transmission Provider that identifies the upgrades and other investments to the Transmission System or demand response necessary to reliably satisfy, over the planning horizon, Network Customers' resource and load growth expectations for designated Network Load; Transmission Provider's resource and load growth expectations for Native Load Customers; Transmission Provider's obligations pursuant to non-Tariff agreements; and the Transmission Provider's PTP customers' projected service needs including obligations for rollover rights.
10. Local Transmission Project: As described in Section VI.A.
11. Ownership Proposal: As described in Section VI.B.5.
12. Planning Participation Agreement: WestConnect Planning Participation Agreement Amended and Restated February 8, 2016.
13. Planning Region: Each of the following Order No. 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, ColumbiaGrid, Northern Tier Transmission Group, and WestConnect.

14. Public Policy Requirements: Those requirements enacted by state or federal laws or regulations, including those enacted by local governmental entities, such as a municipality or county.
15. Regional Entity: An entity responsible for compliance monitoring and enforcement pursuant to a FERC-approved delegation agreement with NERC.
16. Regional Plan: The transmission plan for a ten-year transmission planning horizon developed through the Regional Planning Process described in Section III, below.
17. Regional Planning Process: The WestConnect regional planning process, as described in Section III, below.
18. Reliability Standard: As defined in the Glossary of Terms Used in NERC Reliability Standards published on the NERC website (*see* www.nerc.com).
19. Stakeholder: Includes, but is not limited to, NITS and PTP transmission customers, sponsors of transmission solutions, generating solutions and solutions utilizing demand response resources, neighboring transmission providers, state and local regulatory bodies, and other parties.
20. Stakeholder Meeting: Meetings periodically held by the Transmission Provider for the purpose of soliciting input from Stakeholders on the Transmission Provider's LTP.
21. Standards of Conduct: Standards of Conduct for transmission providers described in 18 C.F.R. Part 358 and any successor provisions.
22. State Regulatory Commissions: A WestConnect membership sector
23. Transmission Customers: A WestConnect membership sector
24. Transmission Owner: As described in Section III.A, below.
25. Transmission Owners with Load Serving Obligations: A WestConnect membership sector.

26. Transmission Providers Transmission Coordination and Planning Committee or TCPC: A stand-alone advisory committee comprised of eligible Stakeholders who will provide input to the Transmission Provider's LTP.
27. WestConnect: The WestConnect Regional Transmission group or its successor organization.
28. WestConnect STP Agreement: WestConnect Project Agreement for Subregional Transmission Planning.

II. Local Transmission Planning Process

A. General Provisions for Local Transmission Planning Process

1. Types of Planning Studies

- a. Reliability Planning Studies. Reliability planning studies are performed to ensure that the Transmission Provider meets (a) all NITS and PTP customer needs for planned loads and resources, including demand response resources, for each year of the ten year planning horizon, and (b) all North American Electric Reliability Corporation (NERC), WECC, and local reliability standards. Reliability planning studies shall be coordinated with WestConnect and other regional transmission planning organizations as appropriate.
- b. Economic Planning Studies. The purpose of economic planning studies is to identify significant and recurring congestion on the Transmission Provider's Transmission System and/or address the integration of new resources and/or loads. Such studies may analyze any, or all, of the following: (i) the location and magnitude of the congestion, (ii) possible remedies for the elimination of the congestion, (iii) the associated costs of congestion, (iv) the costs associated with relieving congestion through system enhancements (or other means), and, as appropriate (v) the economic impacts of integrating new resources or/and loads.
- c. Consideration of Public Policy Requirements. For purposes of this Attachment K, "Public Policy Requirements" means those requirements enacted by state or federal laws or regulations, including those enacted by local governmental entities, such as a municipality or county. Public Policy Requirements, as

applicable, are incorporated into the load forecasts and/or are modeled in the local planning studies. Proposed public policy (public policy proposed before a governmental authority but not yet enacted) may be studied if time and resources permit.

2. Preparation of a LTP

- a. The Transmission Provider will prepare, with the input of interested Stakeholders, one LTP every year. The preparation of the LTP will be done in accordance with the general policies, procedures, and principles set forth in this Attachment K.
- b. The Transmission Provider will establish a process by which Stakeholders can discuss, question, or propose alternatives for input assumptions and upgrades identified by the Transmission Provider. The Transmission Provider will consider information obtained from Stakeholders for future planning cycles.
- c. The Transmission Provider will use a ten (10) year or other applicable planning horizon for the LTP. The transmission planning process will use reliability criteria established by the Transmission Provider, WECC, NERC and FERC.
- d. The LTP on its own does not effectuate any transmission service requests. Transmission service requests must be made in accordance with the procedures set forth in Part II of the Tariff and posted on the Transmission Provider's OASIS. Similarly, Network Customers must submit Network Resource and load additions or removals pursuant to the process described in Part III of the Tariff.
- e. The Transmission Provider will take the LTP into consideration, as appropriate, when preparing generator interconnection, transmission service, and economic studies. The Transmission Provider will take the generator interconnection, transmission service, and Economic Study results into consideration as appropriate when preparing the LTP.
- f. The Transmission Provider will prepare and develop the LTP using an open and coordinated process that includes input from Stakeholders as defined in Section II.D.3. Stakeholder input will occur at various phases throughout the study process consistent with the principles, practices, policy and procedures

set forth in this Attachment K. The Transmission Provider, with interested Stakeholder input, will: (1) determine the study plan, define scenarios and develop base cases related to the LTP; (2) perform the technical study; (3) determine the preliminary LTP, based on the data produced during the technical study and if applicable, include timely submitted Economic Study Request results; and (4) report study results and the LTP to Stakeholders and affected parties.

- g. Limitations on Disclosure: While the Transmission Provider's LTP planning process will be conducted in the most open manner possible, the Transmission Provider has an obligation to protect sensitive information such as, but not limited to, information eligible for designation as Critical Energy Infrastructure Information (CEII), and the proprietary materials of third parties. Nothing in this Attachment K will be construed as compelling the Transmission Provider to disclose materials in contravention of any applicable regulation, contractual arrangement, or lawful order unless otherwise ordered by a governmental agency of competent jurisdiction. The Transmission Provider may employ mechanisms such as confidentiality agreements, protective orders, or waivers to facilitate the exchange of sensitive information where appropriate and available.
- h. The Transmission Provider will adhere to all applicable laws and regulations in preparing the LTP, including but not limited to any CEII included therein. Any Stakeholder or Transmission Provider participating in the planning process must adhere to the Commission's guidelines concerning CEII as set out in the Commission's regulations. Additional information concerning data eligible for designation as CEII, including a summary list of data that is determined by the supplying party to be eligible for designation as CEII, will be posted on the Transmission Provider's OASIS.

3. Coordination

- a. LTP Study Cycle: The Transmission Provider will prepare an LTP during a four (4) quarter study cycle.
- b. LTP Sequence of Events: The Transmission Provider will use the following timeline in preparing its LTP.

(i) Quarter 1: Data Collection, Study Scope and Scenario Development

- (a) The Transmission Provider will gather: (1) Network Customers' projected loads, projected resources, and load growth expectations (based on annual updates under Part III of the Tariff); (2) Transmission Provider's projected loads and projected resource needs for its Native Load Customers; (3) PTP customers' projections for long-term (greater than 1 year) needs at each receipt and delivery point (based on information submitted by Eligible Customers to the Transmission Provider) including projections of rollover rights; (4) information from all transmission customers and the Transmission Provider on behalf of Native Load Customers concerning existing and planned demand resources and their impact on demand and peak demand; and (5) information from sponsors of transmission solutions, generating solutions and solutions utilizing demand response resources.
- (b) The Transmission Provider will take into consideration, to the extent known or which may be obtained from its transmission customers and Stakeholders, obligations that will either commence or terminate during the applicable study window.
- (c) Eligible Customer Economic Study Requests will also be submitted to the Transmission Provider during this quarter.
- (d) The Transmission Provider will, with Stakeholder input, define the proposed LTP study scope, objectives, and scenarios to be considered in development of the LTP. The Transmission Provider will post the official timelines for data submittals on its OASIS.
- (e) The Transmission Provider will have a Transmission Providers Transmission

Coordination and Planning Committee (TCPC) meeting during the first quarter to accept Stakeholder input to the LTP, including Public Policy Requirements and potential stakeholder-suggested transmission needs driven by Public Policy Requirements. As part of the TCPC meeting, with Stakeholder input, the Transmission Provider will finalize study objectives, scenarios to be studied, discuss data collected, adequacy of the data, the need for any additional data and discuss applicable Economic Study Requests.

- (f) The Transmission Provider will finalize and post on the OASIS the basic methodology, planning criteria, assumptions and processes the Transmission Provider will use to prepare the LTP.
- (g) After the first quarter TCPC meeting, and no later than thirty (30) days before the fourth quarter TCPC meeting, the Transmission Provider will post on its OASIS an explanation of those transmission needs driven by Public Policy Requirements that have been identified for evaluation for potential solutions in the local transmission planning process and an explanation of why any suggested transmission needs driven by Public Policy Requirements will not be evaluated.

(ii) Quarter 2-3: Technical Study

- (a) The Transmission Provider will develop base cases that include load and resource data to represent the defined scenarios.
- (b) The Transmission Provider will conduct a combination of powerflow, transient stability studies, post transient power flow, or other studies deemed necessary to properly analyze the Transmission System.

- (c) The Transmission Provider will consider transmission and non-transmission solutions to mitigate system performance that does not meet reliability criteria. The Transmission Provider may consider the results from prior applicable Economic Studies.
- (d) The Transmission Provider may elect to post interim iterations of the draft plan or preliminary technical study results, and solicit comments prior to the end of the applicable quarter. The Transmission Provider will seek interested Stakeholder input regarding advantages and disadvantages associated with proposed solutions in the transmission plan or technical study.

(iii) Quarter 4: Decision and Reporting

- (a) The Transmission Provider will solicit Stakeholder input when determining selection criteria and weighting to be used in determining the best transmission or non-transmission solution identified in the draft LTP. Advantages and disadvantages to each solution will also be considered.
- (b) Selection criteria may include, but are not limited to, the following:
 - (i) Total present value of upgrade costs
 - (ii) Time available to implement upgrade
 - (iii) System performance with each solution
 - (iv) Probability of scenario requiring a solution
 - (v) Environmental assessment and/or costs
 - (vi) Non-quantifiable assessment

- (c) The Transmission Provider will prepare and publish a draft LTP report on its OASIS and solicit input from all Stakeholders.
 - (d) Using data and information from the technical study, and considering Stakeholder input, the Transmission Provider will define its ten (10) year LTP.
 - (e) The final LTP report will be posted on the Transmission Provider's OASIS and provided to applicable sub-regional and regional entities conducting similar planning efforts, interested Stakeholders, and the owners and operators of the neighboring interconnected transmission systems.
 - (f) The responsibility for the LTP will remain with the Transmission Provider who may accept or reject in whole or in part, the comments of any Stakeholder unless prohibited by applicable law or regulation.
- c. Stakeholder Meetings: The Transmission Provider will establish the TCPC to be used as the forum for Stakeholder input throughout the study cycle described in Section II.A.3. TCPC membership and meetings will be open to all Stakeholders, including but not limited to Eligible Customers, other transmission providers, and federal and state commissions. The Transmission Provider will utilize quarterly scheduled TCPC meetings to solicit, obtain, and coordinate the input of interested Stakeholders throughout the local transmission planning process. Notice of TCPC meetings will be posted on the Transmission Provider's OASIS with fifteen (15) business days' prior notice. A list of participants or members will be maintained and will receive email notifications for upcoming meetings. The location of the meeting will be selected by the Transmission Provider. The Transmission Provider will provide for alternate means of participation, to the extent practical and economical, such as teleconference, web conference or other similar means. Instructions for participation in TCPC meetings will be posted and maintained on the Transmission Provider's OASIS.

- d. Stakeholder Comments: In addition to Stakeholder input noted in Section II.A.3 above, at each TCPC meeting, the Transmission Provider will: (1) discuss the status of the local transmission planning process, (2) summarize substantive study results if available, (3) present drafts of documents, and (4) receive Stakeholder comments on the overall transmission plan.
- e. OASIS Information: The Transmission Provider will post and maintain on its OASIS: (1) instructions, meeting notices points of contact, and other information necessary to participate in the TCPC meeting, or other means established for the purpose of soliciting the input of or coordinating with interested Stakeholders; (2) written comments received from interested Stakeholders, to the extent such comments are not confidential or subject to privilege; and (3) any draft LTP or any other documents the Transmission Provider deems necessary to promote coordination in the LTP study process. A complete list of OASIS posting requirements is defined in Section II.A.5 of Attachment K.

4. Information Exchange

- a. Types of Forecast Data: Stakeholders will submit annually information regarding their needs and proposed expansion plans to facilitate the LTP planning process. The obligation to make such submittals will not replace or supersede any requirements related to service or interconnection requests of PTP transmission customers and NITS customers or interconnected generators under other relevant sections and appendices of this Tariff. To facilitate the LTP, the transmission customer will provide the Transmission Provider the following types of data during the first quarter of every year per the schedule posted on the Transmission Provider's OASIS:
 - (i) Historical Data: Monthly historical energy, peak load and minimum load data for the prior calendar year and the historical energy, peak load and minimum load data for all months of the current year as it becomes available.

- (ii) Load Forecast Data: NITS customers will provide their ten (10) year monthly energy, peak load and resource and minimum load and resource forecast data.
 - (iii) PTP and other transmission customers: To maximize the effectiveness of the transmission planning process, it is essential that all other transmission customers provide their ten (10) year forecast of their projected use of rollover of existing reservations and any expected additional reservations. The forecast will specify the Point of Receipt and Point of Delivery at the bus level.
 - (iv) Generation Forecast Data: Stakeholders will provide data from their own generators including, but not limited to, technical engineering data for their generators and interconnection facilities, peak capability, and expected maintenance schedule.
 - (v) Demand Response Resource, Demand Reduction, Conservation and Demand-side Management: Stakeholders will provide demand response resource savings, conservation savings, and other customer load reduction alternatives that would reduce or alter the load of the transmission customer.
 - (vi) Interruptible and Other: Stakeholders will be asked to supply a peak load forecast with and without the interruptible portion of the forecast data applied.
 - (vii) Other Supply Sources: Stakeholders will provide monthly energy and peak data for electrical supply sources not from generators including, but not limited to, receipt point and delivery point.
- b. Peak Load Forecast Temperature Adjustment: The Transmission Provider may request the temperature adjustment methodology to adjust the winter and summer peak load forecasts to an alternative (*e.g.*, 1-in-2, 1-in-10, and 1-in-20) probability assumption.
 - c. Additional Information: Stakeholders will also provide to the Transmission Provider, upon request, the following information:

- (i) Discussion of reasons for significant increase or decreases in load or generation forecast.
 - (ii) Source and vintage of load forecast and generation resource information.
 - (iii) Interruptible loads and demand response resources.
 - (iv) Weather assumptions associated with load forecasts.
 - (v) Other information as requested by the Transmission Provider.
- d. Economic Study Requests: Eligible Customers will submit Economic Study Requests no later than the end of the first quarter. Requests received after this time will be considered in the following annual study cycle.
- e. Stakeholder Obligation: Stakeholders will provide the Transmission Provider with generation, energy, peak and minimum load forecast, and demand response resources to the maximum extent practicable and subject to any necessary information protections.
 - (i) Stakeholders will provide timely written notice of material changes to information previously provided relating to its load, resources, or other aspects of its facility or operations affecting the Transmission Provider's ability to provide service.
 - (ii) If any Stakeholder fails to provide data as required by or otherwise participate in this local transmission planning process, the Transmission Provider cannot effectively include future needs in the Transmission Provider's LTP planning obligations. If any Stakeholder fails to provide data as required by or otherwise participate in this local transmission planning process, the Transmission Provider will plan the system based on the most recent load and resource data received.
- f. Comparability of Data: The Transmission Provider will send the same type of data request to all customers. The Transmission Provider will include in the LTP all valid data,

along with appropriate comments on the data, received from transmission customers and Stakeholders.

- g. Confidentiality: Individual customer data will be treated as confidential and will be aggregated with other customer data for purposes of planning, reporting, and developing the Transmission Provider's LTP.
- h. Identification of Documents: Stakeholders and the Transmission Provider will identify confidential documents or market sensitive information supplied during the transmission planning process. Any Stakeholder or transmission provider seeking access to such confidential information must agree to adhere to the terms of a confidentiality agreement and establish a reasonable need for that information. The form of the Transmission Provider's confidentiality agreement will be developed initially by the Transmission Provider and posted on the OASIS.
- i. Protection of Information: Market sensitive data, commercially sensitive data, or other data identified as confidential by the transmission customer will be considered confidential. Confidential information will be disclosed only to those participants in the planning process that establish a reasonable need for that information and that execute the confidentiality agreement, and only in compliance with the Commission's Standards of Conduct; provided, however, any such information may be supplied to (i) federal, state or local regulatory authorities that request such information and protect such information subject to non-disclosure regulations, or (ii) upon order of a court of competent jurisdiction.
- j. Schedule of Collection: The Transmission Provider will submit a request for forecast data annually, but no later than close of business Friday of the second full week of January. The Transmission Provider will post on the OASIS the schedule, instructions, procedures, and requirements for the submission of data.

5. Transparency

a. OASIS Requirements

- (i) The Transmission Provider will maintain a “Transmission Planning” folder on the publicly accessible portion of its OASIS to distribute information related to this Attachment K. Business practices and other information pertaining to the LTP will also be posted in the “Transmission Planning” folder.
- (ii) The Transmission Provider will maintain in the “Transmission Planning” folder on the publicly accessible portion of OASIS a subscription service or “How-To-Contact-Us” folder whereby any person may contact the Transmission Provider to receive e-mail notices and materials related to the LTP process, or provide comments on the LTP process.
- (iii) Content of OASIS Postings. The Transmission Provider will post in the “Transmission Planning” folder on its OASIS:
 - (a) Transmission planning business practices along with the procedures for modifying the business practices;
 - (b) Study cycle timeline and data submittal schedule;
 - (c) Each Economic Study Request, and any response from the Transmission Provider;
 - (d) A summary of information discussed at each TCPC meeting or other similar meeting related to transmission planning;
 - (e) In advance of its discussion at any TCPC meeting, all materials to be discussed;
 - (f) Written comments submitted in relation to the LTP;
 - (g) All draft and final versions of the current LTP and non-confidential supporting documents;
 - (h) The final version of all completed LTPs for previous study periods;

- (i) Economic Study results;
 - (j) Aggregated load forecasts representing the Transmission Provider's Transmission System;
 - (k) Information regarding the status or material change of upgrades identified in the LTP;
 - (l) Material changes or updates to the database noted in Section II.A.5.b below;
 - (m) Summary list of data eligible for designation as CEII submitted during the planning process; and
 - (n) Key information concerning the CCPG or WestConnect planning processes.
- b. Database Access and Changes: A Stakeholder may receive access from the Transmission Provider to the database and all changes to the database used to prepare the LTP according to the database access rules established by WECC and upon certification to the Transmission Provider that the Stakeholder is permitted to access such database. Unless expressly ordered to do so by a court of competent jurisdiction or regulatory agency, the Transmission Provider has no obligation to disclose database information to any Stakeholder that does not qualify for access. Material changes or updates to the database used for the LTP and reason for the changes will be posted on the Transmission Provider's OASIS.

6. Cost Allocation

- a. Obligations: Cost allocation principles expressed here do not supersede cost obligations as determined by other parts of the Tariff, which include, but are not limited to, transmission service requests, generation interconnection requests, Network Upgrades or Direct Assigned Facilities. Nothing contained in this Attachment K will relieve or modify the obligations of the Transmission Provider or transmission customer pursuant to the Tariff.
- b. Cost Allocation for New Projects

- (i) The Transmission Provider will utilize a case-by-case approach to allocate costs for new projects. This approach will be based on the following principles:

- (a) Open Season Solicitation of Interest: For any project identified in a Transmission Provider planning study (for reliability and/or economic projects) in which the Transmission Provider is the project sponsor, the Transmission Provider may elect to provide an “open season” solicitation of interest to secure additional project participants. Upon a determination by the Transmission Provider to hold an open season solicitation of interest for a project, the Transmission Provider will:

- (i) Announce and solicit interest in the project through informational meetings, its website, and/or other means of dissemination as appropriate.
- (ii) Hold meetings with interested parties and meetings with public utility staffs from potentially affected states.
- (iii) Post information via WECC’s planning project review reports.
- (iv) Develop the initial project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.

- (b) Transmission Provider Coordination within a Solicitation of Interest Process: The Transmission Provider, whether as a project

sponsor or a participant, will coordinate as necessary with any other participant or sponsor to integrate into the Transmission Provider's LTP any planned project on or interconnected with the Transmission Provider's Transmission System.

(c) Transmission Provider Projects without a Solicitation of Interest: If the Transmission Provider elects to proceed without an open season solicitation of interest, the Transmission Provider will proceed with the project pursuant to its rights and obligations as a Transmission Provider.

(d) Allocation of Costs:

(i) Proportional Allocation: For any project entered into where an open season solicitation process has been used, project costs and associated transmission rights would generally be allocated proportionally to project participants. In the event the open season process results in a single participant, the full cost and transmission rights will be allocated to that participant.

(ii) Economic Benefits or Congestion Relief: If an entity submits a request for a project wholly on the Transmission Provider's Transmission System for economic reasons or congestion relief, the project costs will be allocated to the entity submitting the request.

c. Regional Cost Allocation: The cost allocation for regional projects will be allocated consistent with the cost allocation principles of WestConnect. *See* www.westconnect.com.

B. Local Reliability Planning Studies

Internally, and through WestConnect and CCPG, the Transmission Provider performs annual system assessments to verify compliance with reliability standards, to determine related system improvements, and to demonstrate adherence to the standards and criteria set forth by NERC and WECC. Compliance is certified annually.

During the local transmission planning process, the Transmission Provider considers a wide range of factors and interests as part of its reliability assessment, including, but not limited to: (i) the needs of transmission customers to integrate loads and resources; (ii) transmission infrastructure upgrades necessary to interconnect new generation resources; (iii) the minimum reliability standard requirements promulgated by NERC and WECC; (iv) bulk electric system considerations above and beyond the NERC and WECC minimum reliability standard requirements; (v) transmission system operational flexibility, which supports economic dispatch of interconnected generation resources; and (vi) various regional and sub-regional transmission projects planned by other utilities and stakeholders.

This comprehensive internal, regional, and sub-regional planning process ensures that the Transmission Provider's local reliability needs are carefully coordinated with all Stakeholders.

C. Economic Planning Studies

1. Review: As part of the study cycle described in Section II.A above, the Transmission Provider will review Economic Study Requests. An Economic Study Request involves an assessment to determine whether transmission upgrades can reduce the overall cost of service to Native Load Customers and the load of other customers taking service under the Tariff. The Transmission Provider currently does not separately conduct economic planning studies and does not have the individual capability to conduct economic analyses, and thus, in the event of a request for an Economic Study, may contract with a qualified third party of its choosing to perform such work. The Transmission Provider will coordinate with the TCPC during the annual study cycle to identify and prioritize all Economic Study Requests and perform an assessment to determine if the Economic Study Request would reduce the overall cost of service to Native Load Customers and the load of other customers taking service under the Tariff.
2. Request Form: An Eligible Customer may make an Economic Study Request by completing the Economic Study Request form located on the Transmission Provider's OASIS within the "Transmission

Planning” folder. Study requests are due to the Transmission Provider per the official timeline as posted on the Transmission Provider’s OASIS.

3. Number of Studies: The Transmission Provider may study up to one (1) high priority Local Transmission Provider Economic Planning Request annually.
4. Classification of Requests: The Transmission Provider, with input from the TCPC, will classify a request for Economic Planning Studies as a Local Transmission Provider Economic Planning Request, Sub-Regional Economic Planning Request, or Regional Economic Planning Request.
 - a. A study request that is confined to the Transmission Provider’s Transmission System and does not materially affect the interconnected transmission system, and remedies are confined to the Transmission Provider’s Transmission System, will be considered a Local Transmission Provider Economic Planning Request and studied by the Transmission Provider.
 - b. All other Economic Study Requests will be deemed sub-regional or regional requests and be forwarded to WECC for inclusion in the WECC Economic Planning Study Master List and for consideration as a priority request at WECC’s stakeholder meeting. The criteria utilized by WECC to prioritize study requests are contained in its Transmission Planning Protocol.
5. Priority of Requests: The Transmission Provider may identify up to one (1) high priority Local Transmission Provider Economic Planning Request for study for the purpose of alleviating congestion through the integration of new supply and demand resources into the local transmission grid or expanding the local transmission system.
 - a. A sponsor of an Economic Study not prioritized as a high priority study may re-submit the Economic Study Request for study consideration in the next economic planning cycle or may fund the study as an Additional Economic Study.
6. Economic Study Process: The Transmission Provider will study valid Economic Study Requests in a manner that is open, transparent, and coordinated with Stakeholders utilizing the TCPC or other method established by the Transmission Provider.

7. Economic Study Contents: Economic Studies will include, but not be limited to: the location and magnitude of congestion, possible congestion remedies, and the cost of relieving congestion.
8. Customer Obligation to Share Data: Eligible Customers requesting an Economic Study will, upon request of the Transmission Provider, supply all relevant information necessary to perform the Economic Study. If the Eligible Customer fails to provide the information requested, the Transmission Provider will have no obligation to complete the study.
9. Additional Economic Studies: Economic Study Requests that are not prioritized as the highest priority local study will be referred to as Additional Economic Studies. The Eligible Customer or sponsor will pay for actual costs to perform Additional Economic Studies.
10. Recovery of Planning Costs: The costs to complete a study of a high priority Local Transmission Provider Economic Planning Request will be recovered through the Transmission Provider's transmission rates. The cost for Additional Economic Studies will be borne by the sponsor of the Economic Study Request.
11. Clustering of Economic Study Requests: The Transmission Provider may determine that any number of Economic Study Requests should be studied together, or an entity that requests the study may request that the Transmission Provider study its request together with other requests. The Transmission Provider will consider the following criteria in determining whether or not to cluster multiple Local Transmission Provider Economic Planning Requests that have been identified as high priority by the Transmission Provider through coordination with the TCPC:
 - a. All submitted Local Transmission Provider Economic Planning Requests designated as high priority will be evaluated by the Transmission Provider to determine if the requests can be feasibly and meaningfully studied as a group taking into account the scope of the requests.
 - b. Upon the decision of the Transmission Provider to include the evaluated high priority Local Transmission Provider Economic Planning Requests into a clustered study, the Transmission Provider will provide the entity that requested the study notice of proposed inclusion of its request within a clustered study. That entity will be given the opportunity to opt out of the

clustered study by providing written notice to the Transmission Provider within ten business days of notice of inclusion in the proposed clustered study.

- c. Should an entity that requests a study wish to cluster its request with other Local Transmission Provider Economic Planning Requests, it must provide to the Transmission Provider written consent of all entities whose requests would be included in the proposed clustered study. The Transmission Provider reserves the right to reject a proposed clustered study on any reasonable grounds. The Transmission Provider must determine whether to reject the proposed clustered study and provide written notice of rejection to all participating entities within twenty (20) business days.

D. Dispute Resolution

- 1. Process: If a dispute arises concerning either a procedural or substantive matter within the Commission's jurisdiction, the following dispute resolution process will apply:
 - a. WECC: If the dispute is within the scope of WECC dispute resolution procedures, then those procedures will apply.
 - b. Non-WECC Disputes: For disputes not within the scope of the WECC dispute resolution procedures, the dispute resolution procedures set forth in Section 12 of the Tariff will apply, with the added provision that upon agreement of the parties, any dispute that is not resolved by direct negotiation between or among the affected parties within a reasonable period of time, may be referred to mediation (before or during arbitration), and all applicable timelines will be suspended until such time as the mediation process terminates (unless otherwise agreed by the parties). Notwithstanding that the dispute resolution procedures under Section 12 of the Tariff apply only to the Transmission Provider and transmission customers, Section 12 of the Tariff will be deemed to be applicable to Stakeholders for purposes of this Attachment K.
 - c. Notwithstanding anything to the contrary in this Section II.D, any affected party may refer the matter to the Commission for resolution at any time.

E. Planning for Public Policy Requirements in the Local Transmission Planning Process

1. Procedures for Identifying Transmission Needs Driven by Public Policy Requirements

Stakeholders may participate in identifying local transmission needs driven by Public Policy Requirements by contacting the Transmission Provider via the contact information listed on the Transmission Provider's OASIS. In addition, Stakeholders may offer input or make proposals at Transmission Provider's open meetings held pursuant to this Attachment K.

In selecting those local transmission needs driven by Public Policy Requirements that will be evaluated for solutions in the current planning cycle, Transmission Provider is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

- (i) Whether the Public Policy Requirement is driving a local transmission need that can be reasonably identified in the current planning cycle;
- (ii) the feasibility of addressing the local transmission need driven by the Public Policy Requirement in the current planning cycle;
- (iii) the factual basis supporting the local transmission need driven by the Public Policy Requirement; and
- (iv) whether a Public Policy Requirement has been identified for which a local transmission need has not yet materialized, or for which there may exist a local transmission need but the development of a solution to that need is premature. One example is a renewables portfolio increase that is enacted for implementation in a future year, and for which the process by which the renewable resource is to be identified, selected, and sited under the governing state-regulated resource adequacy process has not yet begun (making it premature to identify the location and scope of the local

transmission need and/or the appropriate solution for the need).

No single factor will be determinative in selecting among the potential transmission needs driven by Public Policy Requirements.

The Transmission Provider is not required to identify any particular set of local transmission needs driven by Public Policy Requirements. After considering the input of Stakeholders, the Transmission Provider is to determine whether to move forward with the identification of a local solution to a particular Stakeholder-identified local need driven by Public Policy Requirements.

If a Stakeholder suggests a local transmission need driven by a Public Policy Requirement, and the Transmission Provider decides not to evaluate local solutions to address the need, the Transmission Provider will post on its OASIS an explanation of its decision.

2. Procedures for Evaluating Solutions to Identified Transmission Needs

For identified local transmission needs driven by Public Policy Requirements and selected by the Transmission Provider for further evaluation, Stakeholders may provide comments on proposed solutions or may submit other proposed solutions to such local transmission needs.

After seeking the Stakeholder input, the Transmission Provider will determine whether to select a local solution for inclusion in its LTP and post the LTP on its OASIS. The procedures for evaluating potential solutions to the identified local transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the local transmission planning process.

3. Posting of Public Policy Needs

The Transmission Provider will maintain on its OASIS (i) a list of all identified local transmission needs driven by Public Policy Requirements and included in the studies for the current local planning cycle; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

III. Regional Transmission Planning Process

This Attachment K to the Tariff implements the requirements for regional planning in accordance with Order No. 1000 and Order No. 890. The Transmission Provider engages in regional planning and coordination within the WestConnect regional process (Regional Planning Process), which also includes the Transmission Provider's participation in interregional planning through its participation in WestConnect.

The purpose of the WestConnect Regional Planning Process is to produce a regional transmission plan (the Regional Plan) and provide a process for evaluating projects submitted for cost allocation in accordance with the provisions of this Attachment K and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business Practice Manual, as may be amended from time to time, available on the WestConnect website (Business Practice Manual).

A. Overview

The WestConnect Planning Region is defined by the transmission owners and transmission provider members (referred to generally in Section III of this Attachment K as Transmission Owners) participating in the Regional Planning Process and for whom WestConnect is conducting regional planning. The service areas of the Transmission Owners consist of all or portions of nine states: Arizona, California, Colorado, Nebraska, New Mexico, Nevada, South Dakota, Texas and Wyoming. Non-public utilities are invited to participate in the Regional Planning Process.

The WestConnect Order No. 1000 regional transmission planning management committee (the Planning Management Committee or PMC) will be responsible for administering the Regional Planning Process. WestConnect began its biennial process in 2016. WestConnect conducted an abbreviated planning process in 2015.

In conjunction with creating the new PMC, the WestConnect members, in consultation with interested Stakeholders, have established a separate project agreement (the Planning Participation Agreement) to permit interested Stakeholders to participate in the Regional Planning Process. Although the Regional Planning Process is open to the public, Stakeholders interested in having a voting right in decisions related to the Regional Planning Process will be required to execute the Planning Participation Agreement and any necessary confidentiality agreements.¹ The PMC will implement the Stakeholder-developed Regional Planning Process, which will result in a Regional Plan for the ten-year transmission planning horizon.²

Note 1: If the Planning Participation Agreement is terminated, the requirement of becoming a signatory to the Planning Participation Agreement also terminates. In that situation, it would no longer be necessary for an entity to execute the Planning Participation Agreement before engaging in the WestConnect regional planning

process, because the PMC will cease performing its functions under this Attachment K upon termination of the Planning Participation Agreement.

Note 2: Because the rights and responsibilities of the PMC terminate when the Planning Participation Agreement terminates, the Transmission Provider will have to satisfy its regulatory compliance through other means. At that time, the Transmission Provider will make an appropriate filing with the Commission to demonstrate its continued compliance with Order No. 1000.

The Transmission Provider is a signatory to the WestConnect STP Project Agreement. (*See* www.westconnect.com). The committees formed under the WestConnect STP Project Agreement and the WestConnect Steering Committee have no authority over the PMC and the PMC's decision making in implementing the Regional Planning Process.

1. WestConnect Planning Participation Agreement

Each WestConnect member will be a signatory to the Planning Participation Agreement, which formalizes the members' relationships and establishes obligations, including Transmission Owner coordination of regional transmission planning among the WestConnect participants and the local transmission planning processes, and producing a Regional Plan.

2. Members

WestConnect has two types of members: (i) Transmission Owners that enroll in the WestConnect Planning Region in order to comply with Order No. 1000 planning and cost allocation requirements, as well as Transmission Owners that elect to participate in the WestConnect Regional Planning Process without enrolling for Order No. 1000 cost allocation purposes, and (ii) Stakeholders who wish to have voting input into the methodologies, studies, and decisions made in the execution of those requirements.

a. Joining the WestConnect Planning Region

A Transmission Owner that wishes to enroll or participate in the WestConnect Planning Region may do so by executing the Planning Participation Agreement and paying its share of costs as provided for in the Planning Participation Agreement.

A Stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the Planning Participation Agreement, paying annual dues, and complying with applicable provisions as outlined in such agreement. For further information regarding membership dues, please see WestConnect's Planning Participation Agreement, located at www.westconnect.com and on file with FERC.

b. Exiting the WestConnect Planning Region

Should a Transmission Owner member wish to exit the WestConnect Planning Region, it must submit notice in accordance with the Planning Participation Agreement and pay its share of any WestConnect expenditures approved prior to providing its formal notice of withdrawal from the WestConnect Planning Region.

Should a Stakeholder wish to exit the WestConnect Planning Region, it may do so by providing notice in accordance with the Planning Participation Agreement. Withdrawing Stakeholders will forfeit any monies or dues paid to the PMC and agree to remit to the PMC any outstanding monies owed to WestConnect prior to their withdrawal being considered official.

c. List of Enrolled Entities

Transmission Owners enrolled in the WestConnect Planning Region for purposes of Order No. 1000:

- Arizona Public Service Company
- Basin Electric Power Cooperative
- Black Hills Colorado Electric Utility Company, LP
- Black Hills Power, Inc.
- Cheyenne Light, Fuel, & Power Company
- El Paso Electric Company
- NV Energy, Inc. Operating Companies
- Public Service Company of Colorado
- Public Service Company of New Mexico
- Tri-State Generation and Transmission Association, Inc.
- Tucson Electric Power Company
- UNS Electric, Inc.

3. WestConnect Objectives and Procedures for Regional Transmission Planning

The Regional Planning Process will produce a Regional Plan that complies with existing Order No. 890 principles:

- a. Coordination
- b. Openness

- c. Transparency
- d. Information exchange
- e. Comparability
- f. Dispute resolution

The Transmission Provider, along with the other Planning Participation Agreement participants, shall work through the Regional Planning Process to integrate its transmission plan with the other WestConnect participant transmission plans into a single ten year Regional Plan for the WestConnect footprint by:

- a. Actively coordinating development of the Regional Plan, including incorporating information, as appropriate, from all Stakeholders;
- b. Coordinating, developing and updating common base cases to be used for all study efforts within the Regional Planning Process and ensuring that each plan adheres to the methodology and format developed for the Regional Plan;
- c. Providing funding for the Regional Planning Process and all planning management functions pursuant to the Planning Participation Agreement;
- d. Maintaining a regional planning section at www.westconnect.com, where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted;
- e. Posting detailed notices of all regional and local planning meeting agendas on the WestConnect website; and
- f. Establishing a cost allocation process for regional transmission projects selected in the Regional Planning Process for cost allocation.

B. Roles in the Regional Planning Process

1. PMC Role

The PMC is responsible for bringing transmission planning information together and sharing updates on active projects. The PMC provides an open forum where any Stakeholder interested in the planning of the regional transmission system in the WestConnect footprint can participate and obtain information regarding base

cases, plans, and projects and provide input or express its needs as they relate to the transmission system. On a biennial basis and in coordination with its members, Transmission Owners, and other interested Stakeholders, the PMC will develop the Regional Plan. The PMC, after considering the data and comments supplied by customers and other Stakeholders, is to develop a regional transmission plan that treats similarly-situated customers (*e.g.*, network, retail network, and native load) comparably in transmission system planning.

The PMC is charged with development and approval of the Regional Plan. The PMC will be comprised of representatives from each Stakeholder sector. The PMC will be empowered to create and dissolve subcommittees as necessary to facilitate fulfillment of its responsibilities in developing the Regional Plan.

2. Stakeholder Participation and Assistance

Stakeholders may participate in the Regional Planning Process by any one or more of the following ways: (a) joining one of five WestConnect regional transmission planning membership sectors described below; (b) by attending publicly-posted WestConnect regional transmission planning Stakeholder meetings; and/or (c) by submitting project proposals for consideration and evaluation in the Regional Planning Process.

Attendance at meetings is open to all interested Stakeholders. These meetings will include discussion of models, study criteria and assumptions, and progress updates. Formal participation, including voting as allowed by the process, can be achieved through payment of applicable fees and annual dues in accordance with the Planning Participation Agreement. Transmission Owners with a Load Serving Obligation will not be responsible for annual dues because Transmission Owners with a Load Serving Obligation will be the default source of monies to support WestConnect activities beyond dues paid by other organizations.

WestConnect Planning Region members will assist Stakeholders interested in becoming involved in the Regional Planning Process by directing them to appropriate contact persons and websites. *See* www.westconnect.com. All Stakeholders are encouraged to bring their plans for future generators, loads, or transmission services to the WestConnect planning meetings. Each transmission planning cycle will contain a period during which project ideas are accepted for potential inclusion in that cycle's Regional Plan.

3. Forum for Evaluation

The WestConnect Regional Planning Process also provides a forum for transmission project sponsors to introduce their specific projects to interested Stakeholders and

potential partners and allows for joint study of these projects by interested parties, coordination with other projects, and project participation, including ownership from other interested parties. This may include evaluation of transmission alternatives or non-transmission alternatives in coordination with the Regional Planning Process.

4. Stakeholder Meetings

WestConnect will hold open Stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the PMC with 30 days advance notice to update Stakeholders about its progress in developing the Regional Plan and to solicit input regarding material matters of process related to the Regional Plan. Notice for such meetings will be posted on the WestConnect website and via email to the Regional Planning Process email distribution list.

The meeting agendas for all WestConnect planning meetings will be sufficiently detailed, posted on the WestConnect website, and circulated in advance of the meetings in order to allow Stakeholders the ability to choose their meeting attendance most efficiently.

5. WestConnect Planning Process Governance

a. Membership Sectors

The Regional Planning Process will be governed by the PMC, which will be tasked with executing the Regional Planning Process and will have authority for approving the Regional Plan. For those entities desiring to be a part of the management of the Regional Planning Process, one of five PMC membership sectors is available:

- Transmission Owners with Load Serving Obligation
- Transmission Customers
- Independent Transmission Developers and Owners
- State Regulatory Commissions
- Key Interest Groups

Only Transmission Owners that have load serving obligations individually or through their members may join the Transmission Owners with Load Serving Obligations membership sector. The Transmission Owners with Load Serving Obligations sector will be comprised of (a) those Transmission Owners that enroll in the WestConnect Planning Region for purposes of Order No. 1000; and (b) those Transmission Owners that elect to participate in the WestConnect Regional Planning Process as Coordinating Transmission Owners (CTO).

Except for public utilities that are required to comply with Order No. 1000, any entity may join any membership sector for which it qualifies, but may only participate in one membership sector at a time. If a non-public utility is qualified to join the Transmission Owners with Load Serving Obligations sector as well as one or more other sectors, and the non-public utility elects to join a sector other than the Transmission Owners with Load Serving Obligations sector, the PMC will not perform the function of regional transmission planning for that entity. Additionally, if a member of the Transmission Owner with Load Serving Obligations sector owns transmission facilities located in another planning region, the PMC will not perform the function of regional planning for such facilities located in another planning region.

b. Planning Management Committee

The PMC will be empowered to create and dissolve subcommittees as necessary to ensure timely fulfillment of its responsibilities; to assess fees for membership status on the PMC; and to assess fees for projects submitted for evaluation as part of the Regional Planning Process. The PMC is to manage the Regional Planning Process, including approval of the Regional Plan that includes application of regional cost allocation methodologies.

The PMC is to coordinate and have the decision making authority over whether to accept recommendations from the Planning Subcommittee (PS) and Cost Allocation Subcommittee (CAS). The PMC, among other things, is to develop and approve the Regional Plan based on recommendations from the PS and CAS; and develop and approve a scope of work, work plan, and periodic reporting for WestConnect planning functions, including holding a minimum of two Stakeholder informational meetings per year. The PMC is to appoint the chair of the PS and CAS. The chair for each subcommittee must be a representative of the Transmission Owners with Load Serving Obligations member sector.

The PS responsibilities include, but are not limited to, reviewing and making recommendations to the PMC for development of study plans, establishing base cases, evaluating potential solutions to regional transmission needs, producing and recommending the Regional Plan for PMC approval, and coordinating with the CAS. The PS is to provide public notice of committee meetings and provide opportunities for Stakeholders to provide comments on the process and proposed plan.

The CAS responsibilities include, but are not limited to, performing and/or overseeing the performance of the cost allocation methodology. The CAS also is to review and make recommendations to the PMC for modifying definitions of benefits and cost allocation methodology as necessary to meet WestConnect planning

principles on identification of beneficiaries and cost allocation. The CAS is to review and recommend projects to the PMC for purposes of cost allocation identified in the Regional Planning Process. The CAS is to provide public notice of committee meetings and provide opportunities for Stakeholders to provide comments on the process and proposed cost allocation.

All actions of the PMC (including approval of the Regional Plan) will be made possible by satisfying either of the following requirements:

- 75% of the members voting of at least three (3) sectors approving a motion, where one of the three sectors approving is the Transmission Owners with Load Serving Obligation sector; or
- 75% of the members voting of the four member sectors other than the Transmission Owners with Load Serving Obligation sector approving a motion and two-thirds (2/3) of the members voting of the Transmission Owners with Load Serving Obligation sector approving a motion.

Each entity within a membership sector is entitled to one vote on items presented for decision.

Any closed executive sessions of the PMC will be to address matters outside of the development of the Regional Planning Process, including matters involving contracts, personnel, financial matters, or legal matters such as, but not limited to, litigation (whether active or threatened).

C. Submission of Data by Customers, Transmission Developers, and Transmission Owners

When stakeholder feedback on modeling assumptions is requested, the data submittal period for such feedback will be established by the PMC. In all cases, requests for submittal of data from WestConnect members and Stakeholders will be followed by a data submittal window lasting no less than thirty (30) days from the date of such requests. In addition, consistent with the Regional Planning Process, any interested Stakeholder may submit project ideas for consideration in the Regional Plan without a need for that Stakeholder to qualify for a project submittal for purposes of cost allocation. Specific project submittals are treated differently than generalized project ideas. For any project submittal seeking study by the PMC in the Regional Planning Process to address a regional need identified by the PMC (without regard to whether the project seeks cost allocation), a project submittal deposit will be collected and made subject to later true-up based upon the actual cost of the study(ies) performed. Project submittals are to be accepted through the fifth (5th) quarter of the planning cycle (or first (1st) quarter of the second (2nd) year), and are addressed in Section III.C.5 of this Attachment K. A timeline detailing the timing and

notice for submission of information and input can be found in Exhibit 1 of this Attachment K.

1. Transmission Customers

Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect member's local transmission planning process. However, from time to time, there may be a need for transmission customers participating in the Regional Planning Process to submit data directly to WestConnect. This data may include, but is not limited to load forecasts, generation resource plans, demand side management resources, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

No less than thirty (30) days' notice will be given for customers to submit any required data and data submissions will generally be able to be made via email or by posting information to a designated website.

2. Independent Transmission Developers and Owners

Transmission Developers are entities with project ideas they wish to submit into the Regional Planning Process. These may include project submittals that the developer wishes to be considered to address an identified regional need (whether or not the project is eligible for regional cost allocation).

Each regional transmission planning cycle will include a submission period for project ideas as described in Section III.C.5 below. Notice of the submission period will be posted on the WestConnect website (*see* www.westconnect.com) and will also be made via email to WestConnect Stakeholders. The submission period will last for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the Regional Planning Process to address an identified regional need may do so.

Projects proposed by Independent Transmission Developers and Owners are subject to the same Reliability Standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer shall register with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organizations, and all local, state, regional, and federal requirements.

3. Merchant Transmission Developers

Merchant transmission developers are entities pursuing completion of projects that do not wish to have their projects considered for regional cost allocation. Nonetheless, coordination between merchant projects and the Regional Planning Process is necessary to effect a coordinated Regional Plan that considers all system needs.

Each regional transmission planning cycle will include a submission period for project submittals to address an identified regional need, as described in Section III.C.5 below. Notice of the submission period will be posted on the WestConnect website and will also be made via email to WestConnect Stakeholders. In addition, it is necessary for merchant transmission developers to provide adequate information and data to allow the PMC to assess the potential reliability and operational impacts of the merchant transmission developer's proposed transmission facilities on other systems in the region. The submission period will last for no less than thirty (30) days and during this time sponsors of merchant transmission projects that are believed to impact the WestConnect transmission system will be asked to provide certain project information.

Projects proposed by merchant transmission developers are subject to the same Reliability Standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer is responsible for properly registering with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organization and all local, state, regional, and federal requirements.

4. Transmission Owners with Load Serving Obligation

Transmission Owners that are members of the WestConnect Planning Region are responsible for providing all necessary system information to the Regional Planning Process.

At the beginning of each regional transmission planning cycle, Transmission Owners that are participating in the Regional Planning Process shall be responsible for verifying the accuracy of any data (including, but not limited to system topology and project proposal information) they have previously submitted. Transmission Owners shall also be required to submit all relevant data for any new projects being proposed for inclusion in the Regional Plan to address an identified regional need in accordance with Section III.C.5 below. Transmission Owners shall also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the Regional Plan models.

5. Transmission Project Submittals

All submittals of transmission projects to address an identified regional need, without regard to whether or not the project seeks regional cost allocation, are to contain the information set forth below, together with the identified deposit for study costs, and be submitted timely within the posted submittal period in order for the project submittal to be eligible for evaluation in the Regional Planning Process. A single project submittal may not seek multiple study requests. To the extent a project proponent seeks to have its project studied under a variety of alternative project assumptions, the individual alternatives must be submitted as individual project submittals. To be eligible to propose a project for selection in the Regional Plan, a project proponent must also be an active member in good standing within one of the five PMC membership sectors described above in Section III.B.5.a:

- Submitting entity contact information
- Explanation of how the project is a more efficient or cost-effective solution to regional transmission needs*
- A detailed project description including, but not limited to, the following:
 - Scope
 - Points of interconnection to existing (or planned) system
 - Operating Voltage and Alternating Current or Direct Current status
 - Circuit Configuration (Single, Double, Double-Circuit capable, etc.)
 - Impedance Information
 - Approximate circuit mileage
- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost*
- Any independent study work of or relevant to the project
- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- The project in-service date
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- A \$25,000 deposit to support the cost of relevant study work, subject to true-up (up or down) based upon the actual cost of the study(ies).* The true-up will include interest on the difference between the deposit and the actual cost, with such interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. A description of the costs to which the deposit was applied, how the costs were calculated, and an accounting of the costs will be provided to each project sponsor within 30 calendar days of the

completion of the study. Dispute resolution is addressed pursuant to Section V.

- Comparison Risk Score from WECC Environmental Data Task Force, if available
- Impacts to other regions. The applicant must provide transmission system impacts studies showing system reliability impacts to neighboring transmission systems or another transmission planning region. The information should identify all costs associated with any required upgrades to mitigate adverse impacts on other transmission systems.*

*Merchant transmission developers are exempt from these requirements.

If impact studies and costs are not available at the time of submittal, the project proponent may request that impact studies be performed, at the project proponent's expense, as part of the analysis to determine whether the project is the more efficient or cost-effective solution. Requests for transmission system impact studies are approved through the PMC depending on whether the project proponent provides funding for the analysis. The PMC will provide, subject to appropriate confidentiality and CEII restrictions, the information in the possession of the PMC that an applicant needs to perform the transmission system impact study and to identify the costs associated with any upgrades required to mitigate adverse impacts.

There is to be an open submission period for project proposals to address identified regional needs. Notice of the submission period will be posted on the WestConnect website and will also be made via email to WestConnect Stakeholders. The submission period will last for no less than thirty (30) days and will end by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). Proposals submitted outside that window will not be considered. The PMC will have the authority to determine the completeness of a project submittal. Project submittals deemed incomplete will be granted a reasonable opportunity to cure any deficiencies identified in writing by the PMC.

Any Stakeholder wishing to present a project submittal to address an identified regional need shall be required to submit the data listed above for the project to be considered in the Regional Planning Process. Should the submitting Stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. The PMC retains the sole authority for determining completeness of the information submittal. After the completion of the project submittal period, the PMC will post a document on the WestConnect website detailing why any projects were rejected as incomplete. Upon posting of the

document, any project submittal rejected as incomplete will be given a reasonable opportunity to cure the reason(s) it was rejected to the satisfaction of the PMC in its sole discretion.

6. Submission of Non-Transmission Alternative Projects

Any Stakeholder may submit projects proposing non-transmission alternatives to address an identified regional need for evaluation under the Regional Planning Process. The submission period will last for no less than thirty (30) days. The submission window will end by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). The following criteria must be satisfied in order for a non-transmission alternative project submittal to be evaluated under the Regional Planning Process:

- Basic description of the project (fuel, size, location, point of contact)
- Operational benefits
- Load offset, if applicable
- Description of the issue sought to be resolved by the generating facility or non-transmission alternative, including reference to any results of prior technical studies
- Network model of the project flow study
- Short-circuit data
- Protection data
- Other technical data that might be needed for resources
- Project construction and operating costs
- Additional miscellaneous data (*e.g.*, change files if available)

As with entities submitting a transmission project under Section III.C.5, those who submit under Section III.C.6 a non-transmission alternative under the Regional Planning Process must adhere to and provide the same or equivalent information (and deposit for study costs) as transmission alternatives, as described in Section III.C.5, above. Should the submitting Stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. Although non-transmission alternative projects will be considered in the Regional Planning Process, they are not eligible for regional cost allocation.

7. The WestConnect Regional Planning Cycle

The WestConnect regional transmission planning cycle is biennial. The WestConnect PMC will develop and publish a Regional Plan every other year.

D. Transmission Developer Qualification Criteria

1. In General

A transmission developer that seeks to be eligible to use the regional cost allocation methodology for a transmission project selected in the Regional Plan for purposes of cost allocation must identify its technical and financial capabilities to develop, construct, own, and operate a proposed transmission project. To be clear, satisfaction of the criteria set forth below does not confer upon the transmission developer any right to:

- (i) construct, own, and/or operate a transmission project,
- (ii) collect the costs associated with the construction, ownership and/or operation of a transmission project,
- (iii) provide transmission services on the transmission facilities constructed, owned and/or operated.

The applicable governing governmental authorities are the only entities empowered to confer any such rights to a transmission developer. The PMC is not a governmental authority.

2. Information Submittal

A transmission developer seeking eligibility for potential designation as the entity eligible to use the regional cost allocation for a transmission project selected in the Regional Plan for purposes of cost allocation must submit to the PMC the following information during the first quarter of the WestConnect planning cycle:

a. Overview

A brief history and overview of the applicant demonstrating that the applicant has the capabilities to finance, own, construct, operate and maintain a regional transmission project consistent with Good Utility Practice within the state(s) within the WestConnect Planning Region. The applicant should identify all transmission projects it has constructed, owned, operated and/or maintained, and the states in which such projects are located.

b. Business Practices

A description of the applicant's experience in processes, procedures, and any historical performance related to engineering, constructing, operating and maintaining electric transmission facilities, and managing teams performing such activities. A discussion of the types of resources, including relevant capability and

experience (in-house labor, contractors, other transmission providers, etc.) contemplated for the licensing, design, engineering, material and equipment procurement, siting and routing, Right-of-Way (ROW) and land acquisition, construction and project management related to the construction of transmission projects. The applicant should provide information related to any current or previous experience financing, owning, constructing, operating and maintaining and scheduling access to regional transmission facilities.

c. Compliance History

The applicant should provide an explanation of any violation(s) of NERC and/or Regional Entity Reliability Standards and/or other regulatory requirements pertaining to the development, construction, ownership, operation, and/or maintenance of electric transmission facilities by the applicant or any parent, owner, affiliate, or member of the applicant that is an Alternate Qualifying Entity under Section III.D.2.1. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section III.D.2, the applicant has not developed, constructed, owned, operated or maintained electric transmission facilities, the applicant shall instead submit such information for any electric distribution or generating facilities it develops, constructs owns, operates and/or maintains, as applicable, to demonstrate its compliance history.

d. Participation in the Regional Planning Process

A discussion of the applicant's participation within the Regional Planning Process or any other planning forums for the identification, analysis, and communication of transmission projects.

e. Project Execution

A discussion of the capability and experience that would enable the applicant to comply with all on-going scheduling, operating, and maintenance activities associated with project development and execution.

f. Right-of-Way Acquisition Ability

The applicant's preexisting procedures and historical practices for siting, permitting, landowner relations, and routing transmission projects including, acquiring ROW and land, and managing ROW and land acquisition for transmission facilities. Any process or procedures that address siting or routing transmission facilities through environmentally sensitive areas and mitigation thereof. If the entity does not have such preexisting procedures, it shall provide a detailed

description of its plan for acquiring ROW and land and managing ROW and land acquisition.

g. Financial Health

The applicant must demonstrate creditworthiness and adequate capital resources to finance transmission projects. The applicant shall either have an investment grade credit rating from both S&P and Moody's or provide corporate financial statements for the most recent five years for which they are available. Entities that do not have a credit rating, or entities less than five years old, shall provide corporate financial statements for each year that is available. Alternatively, the applicant may provide a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the PMC.

The following ratios must be provided with any explanations regarding the ratios:

- Funds from operations-to-interest coverage.
- Funds from operation-to-total debt.
- Total debt-to-total capital.
- The applicant must indicate the levels of the above ratios the company will maintain during and following construction of the transmission element.

The PMC may request additional information or clarification as necessary.

h. Safety Program

The applicant must demonstrate that it has an adequate internal safety program, contractor safety program, safety performance record and program execution.

i. Transmission Operations

The applicant must: demonstrate that it has the ability to undertake control center operations capabilities, including reservations, scheduling, and outage coordination; demonstrate that it has the ability to obtain required path ratings; provide evidence of its NERC compliance process and compliance history, as applicable; demonstrate any existing required NERC certifications or the ability to obtain any applicable NERC certifications; establish required Total Transfer Capability; provide evidence of storm/outage response and restoration plans; provide evidence of its record of past reliability performance, as applicable; and provide a statement of which entity will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training. A potential transmission developer will not be required to have an operations entity under contract at the time it seeks to be

eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

j. Transmission Maintenance

The applicant must demonstrate that it has, or has plans to develop, an adequate transmission maintenance program, including staffing and crew training, transmission facility and equipment maintenance, record of past maintenance performance, NERC compliance process and any past history of NERC compliance or plans to develop a NERC compliance program, and provide a statement of which entity will be performing maintenance on completed transmission facilities. A potential transmission developer will not be required to have a maintenance entity under contract at the time it seeks to be eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

k. Regulatory Compliance

The applicant must demonstrate the ability, or plans to develop the ability, to comply with Good Utility Practice, WECC criteria and regional Reliability Standards, NERC Reliability Standards, construction standards, industry standards, and environmental standards.

l. Affiliation Agreements

A transmission developer can demonstrate that it meets these criteria either on its own or by relying on an entity or entities with whom it has a corporate affiliation or other third-parties with relevant experience (Alternate Qualifying Entity(ies)). In lieu of a contractual or affiliate relationship with one or more Alternate Qualifying Entity(ies) and to the extent a transmission developer intends to rely upon third-parties for meeting those criteria, the transmission developer must provide in attestation form, an identification of its preferred third-party contractor(s) and indicate when it plans to enter into a definitive agreement with its third-party contractor(s). If the transmission developer seeks to satisfy the criteria in whole or in part by relying on one or more Alternate Qualifying Entity(ies), the transmission developer must submit: (1) materials demonstrating to the PMC's satisfaction that the Alternate Qualifying Entity(ies) meet(s) the criteria for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy; and (2) a commitment to provide in any project cost allocation application an executed agreement that contractually obligates the Alternate Qualifying Entity(ies) to perform the function(s) for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy.

m. WestConnect Membership

A transmission developer must be a member of either the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector, or must agree to join the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector and agreed to sign the Planning Participation Agreement if the transmission developer seeks to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

n. Other

Any other relevant project development experience that the transmission developer believes may demonstrate its expertise in the above areas.

3. Identification of Transmission Developers Satisfying the Criteria

a. Notification to Transmission Developer

No later than September 30 each year, the PMC is to notify each transmission developer whether it has satisfied the stated criteria. A transmission developer failing to satisfy one or more of the qualification criteria is to be informed of the failure(s) and accorded an additional opportunity to cure any deficiency(ies) within thirty (30) calendar days of notice from the PMC by providing any additional information.

The PMC is to inform the transmission developer whether the additional information satisfies the qualification criteria within forty-five (45) calendar days of receipt of the additional information.

The PMC is to identify the transmission developers that have satisfied the qualification criteria (the “Eligible Transmission Developers”) by posting on the WestConnect website, on or before December 31 of each year.

b. Annual Recertification Process and Reporting Requirements

By June 30 of each year, each Eligible Transmission Developer must submit to WestConnect a notarized letter signed by an authorized officer of the Eligible Transmission Developer certifying that the Eligible Transmission Developer continues to meet the current qualification criteria.

The Eligible Transmission Developer shall submit to the PMC an annual certification fee equal to the amount of the WestConnect annual membership fee. If the Eligible Transmission Developer is a member of WestConnect and is current in payment of its annual membership fee, then no certification fee will be required.

If at any time there is a change to the information provided in its application, an Eligible Transmission Developer shall be required to inform the PMC chair within thirty (30) calendar days of such change so that the PMC may determine whether the Eligible Transmission Developer continues to satisfy the qualification criteria. Upon notification of any such change, the PMC shall have the option to: (1) determine that the change does not affect the status of the transmission developer as an Eligible Transmission Developer; (2) suspend the transmission developer's eligibility status until any deficiency in the transmission developer's qualifications is cured; (3) allow the transmission developer to maintain its eligibility status for a limited time period, as specified by the PMC, while the transmission developer cures the deficiency; or (4) terminate the transmission developer's eligibility status.

c. Termination of Eligibility Status

The PMC may terminate an Eligible Transmission Developer's status if the Eligible Transmission Developer: (1) fails to submit its annual certification letter; (2) fails to pay the applicable WestConnect membership fees; (3) experiences a change in its qualifications and the PMC determines that it may no longer qualify as an Eligible Transmission Developer; (4) informs the PMC that it no longer desires to be an Eligible Transmission Developer; (5) fails to notify the PMC of a change to the information provided in its application within thirty (30) days of such change; or (6) fails to execute the Planning Participation Agreement as agreed to in the qualification criteria within a reasonable time defined by the PMC, after seeking to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

E. Overview of Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs and more efficient or cost-effective solutions to satisfy those needs. Consistent with Order Nos. 890 and 1000, qualified projects timely submitted through the Regional Planning Process will be evaluated and selected from competing solutions and resources such that all types of resources, as described below, are considered on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder proposing them. Where a regional transmission need is identified, the PMC is to perform studies that seek to meet that need through regional projects, even in the absence of project proposals advanced by Stakeholders or projects identified through the WECC process. When the PMC performs a study to meet an

identified regional need in circumstances where no Stakeholder has submitted a project proposal to meet that regional need, the PMC is to pursue such studies in a not unduly discriminatory fashion. The study methods employed for PMC-initiated studies will be the same types of study methods employed for Stakeholder-initiated studies (*see, e.g.*, Section III.F addressing the use of NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects, Section III.G addressing the use of production cost modeling for regional economic projects, and Section III.H addressing the identification of Public Policy Requirements for regional public policy-driven projects).

The solution alternatives will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to fulfill the identified need practically; (2) ability to meet applicable reliability criteria or NERC Transmission Planning (TPL) Reliability Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); (6) where applicable, consistency with Public Policy Requirements or regulatory requirements, including cost recovery through regulated rates; and (7) a project must be determined by the PMC to be a more efficient or cost-effective solution to one or more regional transmission needs to be eligible for regional cost allocation, as more particularly described below.

The Regional Planning Process provides for an assessment of regional solutions falling in one or more of the following categories:

- Regional reliability solutions
- Regional economic solutions
- Regional transmission needs driven by Public Policy Requirements
- Non-transmission alternatives

The Transmission Provider encourages all interested Stakeholders to consult the Business Practice Manual for additional details regarding the planning process, timing, and implementation mechanics.

All WestConnect Transmission Owners with Load Serving Obligation shall be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans will be included in the Regional Plan base case system models.

F. WestConnect Reliability Planning Process

Once the base case is established and verified, the PMC is to perform a regional reliability assessment in which the base case system models will then be checked for adherence to

the relevant NERC or WECC Transmission Planning (TPL) Reliability Standards, through appropriate studies, including, but not limited to, steady-state power flow, voltage, stability, short circuit, and transient studies as outlined in the Business Practice Manual. If a reliability violation is identified in this power flow process, the violation will be referred back to the appropriate Transmission Owner.

The PMC will identify projects to resolve any regional violations that impact more than one Transmission Owner of relevant NERC or WECC Transmission Planning (TPL) Reliability Standards or WECC criteria. In addition, an opportunity will be afforded to any interested party to propose regional reliability projects that are more efficient or cost-effective than other proposed solutions. The PMC will then identify the more efficient or cost-effective regional transmission project that meets the identified regional transmission need, taking into account factors such as how long the project would take to complete and the timing of the need. Because local Transmission Owners are ultimately responsible for compliance with NERC Reliability Standards and for meeting local needs, the local transmission plans will not be modified, however, the PMC may identify more efficient or cost-effective regional transmission projects. As seen in Exhibit 1 of this Attachment K, the PMC will perform the regional reliability assessment and, if necessary, identify a regional need for transmission projects to resolve any violations that impact more than one Transmission Owner in the fourth quarter of the planning cycle.

G. WestConnect Economic Planning Process

As part of the Regional Planning Process, the PMC is to analyze whether there are projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other economic benefits to the WestConnect Planning Region through production cost modeling. This analysis also utilizes WECC Board-approved recommendations to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that has subsequently been validated by WestConnect. Additional projects may also be proposed by WestConnect Stakeholders or developed through the Stakeholder process for evaluation of economic benefits. Under the Regional Planning Process, the PMC will identify more efficient or cost-effective regional transmission projects, but will not modify local transmission plans.

The WestConnect economic planning process will analyze benefits via detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost and system congestion. The WestConnect economic planning process will also consider the value of decreased reserve sharing requirements in its development of a plan that is more efficient or cost-effective. As seen in Exhibit 1 of this Attachment K, the PMC will develop the production cost modeling analysis in the second (2nd) and third (3rd) quarters of the planning cycle and identify economic transmission projects in the sixth (6th) quarter and parts of the fifth (5th) and seventh (7th) quarters of the planning cycle.

H. WestConnect Public Policy Planning Process

1. Procedures for Identifying Transmission Needs Driven by Public Policy Requirements

It is anticipated that any regional transmission need that is driven by Public Policy Requirements will be addressed initially within the local planning cycles of the individual Transmission Owners in the WestConnect Planning Region through the consideration of local transmission needs driven by a Public Policy Requirement, since a Public Policy Requirement is a requirement that is imposed upon individual Transmission Owners (as opposed to a requirement that is imposed on a geographic region). For those Public Policy Requirements that affect more than one Transmission Owner in the WestConnect Planning Region, a solution identified at the local level to satisfy the local needs of the affected Transmission Owner(s), may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region.

WestConnect Transmission Owner members that are planning consistent with Order No. 890 will continue to conduct local transmission planning processes (Section II.A of this Attachment K), which provide a forum for discussions on local transmission needs driven by Public Policy Requirements. These local processes provide the basis for the individual Transmission Owners' local transmission plans, which are then incorporated into the regional base case at the start of the Regional Planning Process under Order No. 1000.

The PMC is to provide notice on the WestConnect website of both regional transmission planning meetings convened by the PMC for the WestConnect region, and local transmission planning meetings of the individual Transmission Owners in the WestConnect region.

The PMC will begin the evaluation of regional transmission needs driven by Public Policy Requirements by identifying any Public Policy Requirements that are driving local transmission needs of the Transmission Owners in the WestConnect Planning Region, and including them in the transmission system models (the regional base case) underlying the development of the Regional Plan. Then, the PMC will seek the input of Stakeholders in the WestConnect region on those Public Policy Requirements in an effort to engage Stakeholders in the process of identifying regional transmission needs driven by Public Policy Requirements. The PMC will communicate with Stakeholders through public postings on the WestConnect website of meeting announcements and discussion forums. In addition, the PMC is to establish an email distribution list for those Stakeholders who indicate a desire to receive information via electronic list serves.

After allowing for Stakeholder input on regional transmission needs driven by Public Policy Requirements and regional solutions to those needs, as part of the Regional Planning Process, the PMC is to identify in the Regional Plan those regional transmission needs driven by Public Policy Requirements that were selected by the PMC for evaluation of regional solutions.

In selecting those regional transmission needs driven by Public Policy Requirements that will be evaluated for regional solutions in the current planning cycle, the PMC is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

- (i) whether the Public Policy Requirement is driving a regional transmission need that can be reasonably identified in the current planning cycle;
- (ii) the feasibility of addressing the regional transmission need driven by the Public Policy Requirement in the current planning cycle;
- (iii) the factual basis supporting the regional transmission need driven by the Public Policy Requirement; and
- (iv) whether a Public Policy Requirement has been identified for which a regional transmission need has not yet materialized, or for which there may exist a regional transmission need but the development of a solution to that need is premature.

No single factor shall necessarily be determinative in selecting among the potential regional transmission needs driven by Public Policy Requirements.

The process by which the PMC is to identify those regional transmission needs for which a regional transmission solution(s) will be evaluated, out of what may be a larger set of regional transmission needs, is to utilize the communication channels it has in place with Stakeholders, identified above (open meetings and discussion forums convened by the PMC), through which regional transmission needs driven by Public Policy Requirements are to be part of the open dialogue.

2. Procedures for Identifying Solutions to Regional Transmission Needs Driven by Public Policy Requirements

Stakeholders are to have opportunities to participate in discussions during the Regional Planning Process with respect to the development of solutions to regional transmission needs driven by Public Policy Requirements. Such participation may take the form of attending planning meetings, offering comments for consideration by the PMC on solutions to regional needs driven by Public Policy Requirements, and offering comments on proposals made by other stakeholders or by the PMC.

Stakeholders that are members of the WestConnect PMC are performing the function of regional transmission planning and developing regional solutions to identified regional transmission needs driven by Public Policy Requirements through membership on subcommittees of the PMC.

After allowing for Stakeholder input on solutions to regional transmission needs driven by Public Policy Requirements, as part of the Regional Planning Process, the PMC is to identify in the Regional Plan those regional transmission solutions driven by Public Policy Requirements that were selected by the PMC and any regional transmission project(s) that more efficiently or cost-effectively meet those needs.

The procedures for identifying and evaluating potential solutions to the identified transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the Regional Planning Process, whether or not submitted for purposes of cost allocation.

The PMC will perform a Public Policy Requirements analysis to help identify if a transmission solution is necessary to meet an enacted public policy. For a transmission need driven by Public Policy Requirements, the PMC will identify if a more efficient or cost-effective regional transmission solution exists based upon several different considerations, including consideration of whether the project is necessary and capable of meeting transmission needs driven by Public Policy Requirements, while also

- (i) Efficiently resolving any criteria violations identified by studies pursuant to any relevant NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects or WECC Transmission Planning (TPL) Reliability Standards or WECC criteria, as applicable, that could impact more than one Transmission Owner as a result of a Public Policy Requirement, or
- (ii) Producing economic benefits shown through detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost, system congestion and the value of decreased reserve sharing requirements.

The PMC will develop the public policy analysis in the sixth (6th) quarter and parts of the fifth (5th) and seventh (7th) quarters of the planning cycle.

3. Proposed Public Policy

A public policy that is proposed, but not required (because it is not yet enacted or promulgated by the applicable governmental authority) may be considered through

Section III.G (WestConnect Economic Planning Process) of this Attachment K, if time and resources permit.

4. Posting of Public Policy Needs

WestConnect will maintain on its website (i) a list of all transmission needs identified that are driven by Public Policy Requirements and that are included in the studies for the current regional transmission planning cycle; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

I. Consideration of Non-Transmission Alternatives

Non-transmission alternatives submitted in accordance with Section III.C.6 above will be evaluated to determine if they will provide a more efficient or cost-effective solution to an identified regional transmission need. Non-transmission alternatives include, without limitation, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines, such as distributed generation resources, demand side management (load management, such as energy efficiency and demand response programs), energy storage facilities and smart grid equipment that can help eliminate or mitigate a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet grid needs driven by Public Policy Requirements. Non-transmission alternatives are not eligible for regional cost allocation.

J. Approval of the WestConnect Regional Plan

The Cost Allocation Subcommittee is to submit, for review and comment, the results of its project benefit/cost analysis and beneficiary determination to the PMC Chair and to the identified beneficiaries of the transmission projects proposed for cost allocation. The PMC shall make available to its Members sufficient information to allow for a reasonable opportunity to comment on the proposed selection. The PMC shall not make a determination on the project benefit/cost analysis and beneficiary determination until it has reviewed all comments. Upon approval of the PMC, the project benefit/cost analysis and beneficiary identifications shall be posted by the PMC on the WestConnect website.

1. CTO Acceptance of Cost Allocation

Each CTO beneficiary will indicate whether it accepts the cost allocation for the project, as follows:

- (i) A CTO Member, in its sole discretion, may elect to accept a cost allocation for each separate transmission facility for which

it is identified as a beneficiary, but only if it notifies the Chair of the PMC in writing of its decision to accept any such cost allocation within sixty (60) calendar days after the benefit/cost analysis is posted by the PMC under this Section III.J; provided, however, that the PMC has the discretion to extend the 60-day period when additional time is necessary for an identified beneficiary to complete its internal review and deliberation process before deciding to accept the cost allocation.

- (ii) A CTO Member giving notice that it elects to accept a cost allocation for a transmission facility may rescind that notice at any time prior to the end of the sixty (60) day period, or such extended period established in this Section III.J.1.i.
- (iii) A CTO Member that does not accept a cost allocation for a transmission facility will not be subject to cost allocation for that transmission facility.

The information made available under this Section III.J will be electronically masked and made available pursuant to a process that the PMC reasonably determines is necessary to prevent the disclosure of confidential information or CEII contained in the information.

2. Recalculation of Benefits and Costs for Reliability Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections III.F through III.H (for which the regional project would have avoided an alternative reliability project in such CTO's local transmission plan) will be removed as a regional transmission need for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation.

3. Recalculation of Benefits and Costs for Public Policy Requirements Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for

regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections III.F through III.H (for which the regional project would have avoided an alternative Public Policy Requirements project in such CTO's local transmission plan) will be removed as a regional transmission need for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation. This shall include any such CTO's resource needs necessary to comply with Public Policy Requirements.

4. Recalculation of Benefits and Costs for Economic Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission benefits which were included within the identification of the regional project's economic benefits under Sections III.F through III.H will be removed as a regional transmission benefit for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation. This shall include the value of any economic benefits determined through the regional transmission plan to accrue to such CTO.

5. Resultant Increase in Beneficiary Cost Allocation

Any regional transmission project that continues to meet the region's benefit/cost and other criteria for regional cost allocation will remain eligible for selection in the Regional Plan for purposes of cost allocation.

6. Approval of the WestConnect Regional Transmission Plan

Upon completion of the process outlined above, the PMC will vote on whether to accept the proposed plan. The Regional Plan will document why projects were either included or not included in the Regional Plan. In addition, the Regional Plan is to describe the manner in which the applicable regional cost allocation methodology was applied to each project selected in the Regional Plan for purposes of regional cost allocation. Projects that meet system needs are

incorporated into the Regional Plan. Participant funded projects and other types of projects may be included in the Regional Plan; however, those projects are not eligible for regional cost allocation.

K. Reevaluation of the WestConnect Regional Plan

The PMC is the governing body responsible for deciding whether to reevaluate the Regional Plan to determine if the conditions, facts and/or circumstances relied upon in initially selecting a transmission project for inclusion in the Regional Plan for purposes of cost allocation have changed and, as a result, require reevaluation. The Regional Plan and any project selected for cost allocation in the Regional Plan, including any local or single-system transmission projects or planned transmission system upgrades to existing facilities selected for purposes of cost allocation, shall be subject to reevaluation in each subsequent planning cycle according to the criteria below. Upon reevaluation, the Regional Plan and any projects selected for purposes of cost allocation in connection therewith may be subject to modification, including the status as a project selected for cost allocation, with any costs reallocated under Section VI as if it were a new project. Only the PMC has the authority to modify the status of a transmission project selected for cost allocation. Conditions that trigger reevaluation are:

- The underlying project characteristics and/or regional or interregional needs change in the Regional Plan. Examples include, but are not limited to: (a) a project's failure to secure a developer, or a developer's failure to maintain the qualifications necessary to utilize regional cost allocation, or (b) a change (increase or decrease) in the identified beneficiaries of a project (which changes may occur through company acquisitions, dissolutions, or otherwise), (c) a change in the status of a large load that contributes to the need for a project, or (d) projects affected by a change in law or regulation;
- Projects that are delayed and fail to meet their submitted in-service date by more than two (2) years. This includes projects delayed by funding, regulatory approval, contractual administration, legal proceedings (including arbitration), construction delays, or other delays;
- Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations; and
- Projects with a change in the calculation of benefits or benefit/cost (B/C) ratio that may affect whether the project selected for inclusion in the Regional Plan for purposes of cost allocation is a more efficient or cost-effective regional solution.

- Example 1: Where an increase in the selected project's costs, including but not limited to, material, labor, environmental mitigation, land acquisition, operations and maintenance, and mitigation for identified transmission system and region, causes the total project costs to increase above the level upon which the project was initially selected for inclusion in the Regional Plan for purposes of cost allocation, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current cost information.
- Example 2: A selected project's benefits may include identification of a reliability benefit in the form of remedying a violation of a Reliability Standard. If the identified beneficiary implements improvements, such as a Remedial Action Scheme, to achieve reliability in compliance with the Reliability Standard at issue, inclusion of the regional project in the regional plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current benefit information.
- Example 3: Where a project's estimated benefits include benefits in the form of avoided costs (*e.g.*, a regional project's ability to avoid a local project), and the project is not avoided, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current facts and circumstances.

Projects selected for purposes of cost allocation will continue to be reevaluated until all the following conditions have been met:

- State and federal approval processes completed and approved (including cost recovery approval under Section 205 of the Federal Power Act as applicable);
- All local, state, and federal siting permits have been approved; and
- Major construction contracts have been issued.

When the Regional Plan is reevaluated as a result of any of the conditions triggering reevaluation addressed above, the PMC is to determine if an evaluation of alternative transmission solutions is needed in order to meet an identified regional need. In doing so, the PMC is to use the same processes and procedures it used in

the identification of the original transmission solution to the regional need. If an alternative transmission solution is needed, the incumbent Transmission Owner may propose one or more solutions that it would implement within its retail distribution service territory or footprint, and if such proposed solution is a transmission facility, the Transmission Owner may submit the project for possible selection in the Regional Plan for purposes of cost allocation.

Projects not subject to reevaluation include, but are not limited to, the following:

- Local or single system transmission projects that have been identified in individual Transmission Owner's Transmission Planning (TPL) Reliability Standards compliance assessments to mitigate reliability issues and that have not been proposed for (and selected by the PMC for) regional cost allocation; and
- Planned transmission system upgrades to existing facilities that have not been proposed for (and selected by the PMC for) regional cost allocation.

Projects meeting any of the following criteria as of the Effective Date will also not be subject to reevaluation under the Regional Planning Process:

- Projects of Transmission Owners who have signed the Planning Participation Agreement and that have received approval through local or state regulatory authorities or board approval;
- Local or single system transmission projects that have been planned and submitted for inclusion in the Regional Plan or exist in the 10-year corporate capital project budgets; and
- Projects that are undergoing review through the WECC Project Coordination and Rating Review Process as of the Effective Date.

L. Confidential or Proprietary Information

Although the Regional Planning Process is open to all Stakeholders, Stakeholders will be required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information, or information eligible for designation as CEII. From time to time, the regional transmission planning studies and/or open Stakeholder meetings may include access to base case data that are WECC proprietary data, information classified as CEII by FERC, information eligible for designation as CEII, or other similar confidential or proprietary information. In such cases, access to such confidential or proprietary information shall be limited to only those Stakeholders that (i) hold membership in or execute a non-disclosure agreement (NDA) with WECC (*see* www.wecc.biz); or (ii) execute a non-disclosure agreement with the applicable

WestConnect Planning Region members; or (iii) are parties to the Planning Participation Agreement, as may be applicable.

Any entity wishing to access confidential information, subject to all applicable Standards of Conduct requirements, discussed in the Regional Planning Process must execute an NDA, and submit it to NDA@westconnect.com.

IV. Coordination at the Western Interconnection Level

A. Transmission Provider-WestConnect Coordination

The Transmission Provider shall coordinate its plan on a regional basis through WestConnect. WestConnect will coordinate its Regional Plan with WECC.

B. Procedures for Interregional Planning Project Review

1. WECC Coordination of Reliability Planning
 - a. WECC develops the Western Interconnection-wide databases for transmission planning analysis such as power flow, stability and dynamic voltage stability studies. The WECC-approved base cases are used for study purposes by transmission planners, regional transmission planning groups, and other entities that have signed non-disclosure agreements with WECC.
 - b. WECC maintains a database for reporting the status of all planned projects throughout the Western Interconnection.
 - c. WECC provides for coordination of planned projects through its Procedures for Regional Planning project review.
 - d. WECC's path rating process ensures that a new project will have no adverse effect on existing projects.
2. WECC Open Stakeholder Meetings

Western Interconnection-wide economic planning studies are conducted by WECC in an open Stakeholder process that holds region-wide Stakeholder meetings on a regular basis. The WECC Transmission Planning Protocol, including the procedures for prioritizing and completing regional economic studies, is posted on the WECC website. See www.wecc.biz. The Transmission Provider participates in the region-wide planning processes, as appropriate, to ensure data and assumptions are coordinated.

3. Role of WECC

WECC provides two main functions in relation to the WestConnect Regional Planning Process:

a. Development and Maintenance of the West-Wide Economic Planning Study Database.

- (i) WECC uses publicly available data to compile a database that can be used by a number of economic congestion study tools.
- (ii) WECC's database is available for use in running economic congestion studies. For an interested Stakeholder to utilize WECC's PROMOD planning model, it must comply with WECC confidentiality requirements.

b. Performance of Economic Planning Studies

WECC has subcommittees and work groups through which it will update databases, develop and approve a study plan that includes studying transmission customer high priority economic planning study requests as determined by the open WECC Stakeholder process, perform the approved studies and document the results in a report.

c. Identification of Congested Paths for WestConnect Economic Review

Through WECC's economic study process, congested paths may be reviewed and identified as being candidates for economic transmission studies. Upon WECC Board approval of a designation for such a path and WestConnect validation, the Regional Planning Process will review the path for potential economic transmission solutions.

V. **Dispute Resolution**

In the event of a dispute concerning either a procedural or substantive matter within the jurisdiction of FERC, the following dispute resolution processes will apply:

A. **WECC**

If the dispute is one that is within the scope of the WECC dispute resolution procedures, then such procedures contained in the WECC Business and Governance Guidelines and Policies will apply. See www.wecc.biz.

B. Non-WECC Disputes

For disputes not within the scope of the WECC dispute resolution procedures, and for disputes not between or among the members of the PMC (which disputes will be subject to the dispute resolution provisions set forth in Section V.D), the dispute resolution procedures set forth in Section 12 of the Tariff will apply, with the added provision that upon agreement of the parties, any dispute that is not resolved by direct negotiation between or among the affected parties within a reasonable period of time, may be referred to mediation (before or during arbitration), and all applicable timelines will be suspended until such time as the mediation process terminates (unless otherwise agreed by the parties). Notwithstanding that the dispute resolution procedures under Section 12 of the Tariff apply only to the Transmission Provider and its transmission customers, Section 12 of the Tariff will be deemed to be applicable to Stakeholders for purposes of this Attachment K, except as otherwise provided herein.

All mediations and/or arbitrations arising from disputes under the Regional Planning Process in this Attachment K shall be held in Bismarck, North Dakota, unless otherwise agreed to by the Parties.

C. Resolution by FERC

Notwithstanding anything to the contrary in this Section V, any affected party may refer either a procedural or substantive matter within the Commission's jurisdiction to the Commission for resolution.

D. Disputes Between PMC Members

For disputes between members of the PMC, the following dispute resolution procedures are to apply:

1. Initiating Dispute Resolution

The disputing PMC member(s) initiates its dispute by providing written notification to the PMC (or a designated sub-committee of the PMC) in accordance with the provisions of the Planning Participation Agreement, in which event the PMC will seek to resolve the dispute through discussion, negotiation and the development of a recommended course of action. The PMC may act to adopt a resolution recommended by its own committee members or sub-committees, or alternatively the disputing parties may act to refer the dispute to arbitration for resolution.

2. Arbitration

A dispute may be referred to arbitration under the governing provisions of the Planning Participation Agreement.

3. Resolution by FERC

The availability of the dispute resolution avenues identified above does not eliminate a disputing PMC member's(s') right under the Federal Power Act to refer either a procedural or substantive matter within the Commission's jurisdiction to the Commission for resolution.

VI. Cost Allocation

A. Local Transmission Projects

Local Transmission Projects are projects located within a Transmission Owner's retail distribution service territory or footprint unless such projects are submitted and selected in the Regional Plan for purposes of cost allocation.⁴ A Transmission Owner is not precluded from proposing Local Transmission Projects for inclusion in the Regional Plan for purposes of cost allocation in the Regional Planning Process. A Local Transmission Project that is not submitted or not selected for inclusion in the Regional Plan is not eligible for cost allocation in the Regional Plan, and not subject to the provisions governing regional cost allocation set forth below.

Note 4: The reference to a Transmission Owner's "footprint" refers to the electrical footprint of the Transmission Owner (i.e. the location of that Transmission Owner's electrical assets) and not necessarily the physical/spatial footprint. Where a Transmission Owner within the WestConnect Planning Region is a transmission-only company with no retail distribution service territory, the term "footprint" would refer to the location of the transmission facilities of such transmission-only company.

For any transmission project where the Transmission Provider is the sole owner or such project is to be built within or for the benefit of the Transmission Provider's existing Transmission System such as local, small and/or reliability transmission projects, the Transmission Provider shall proceed with the project pursuant to its rights and obligations as a transmission provider for the local area. Any projects necessary to ensure reliability or that provide economic benefits to the Transmission Provider's Transmission System and that fall outside the requirements for inclusion in the Regional Plan for purposes of cost allocation are eligible to be considered Local Transmission Projects.

The Transmission Provider may share ownership, and associated costs, of any new transmission project, based upon mutual agreement between the parties. Such a joint

ownership arrangement may arise because of existing joint ownership of facilities in the area of the new facilities, overlapping service territories, or other relevant considerations.

1. Open Season Solicitation of Interest

For any transmission project identified through the Transmission Provider's reliability or economic planning studies in which the Transmission Provider is the project sponsor, the Transmission Provider may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination by the Transmission Provider to hold an open season solicitation of interest for a transmission project, the Transmission Provider will:

- a. Announce and solicit interest in the project through informational meetings, its website, and/or other means of dissemination as appropriate.
- b. Hold meetings with interested parties, state public utility commission staffs from potentially affected states, and other affected Stakeholders.
- c. Post information via the Transmission Provider's website.
- d. Develop the initial transmission project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.
- e. Whether as a project sponsor or a participant, coordinate as necessary with any other participant or sponsor, as the case may be, to integrate into the Transmission Provider's ten year Transmission Plan any other planned project on or interconnected with the Transmission Provider's Transmission System.

B. Regional Transmission Projects

For any project determined by the PMC to be eligible for regional cost allocation, project costs will be allocated proportionally to those entities determined by the PMC, as shown in the Regional Plan, to be beneficiaries in the WestConnect Planning Region, as identified in this Attachment K, subject to the processes set forth in Sections III through VI.

The PMC, with input from the CAS, is to determine whether a project is eligible for regional cost allocation, and assesses the project's costs against its benefits in accordance with the following factors:

- Benefits and beneficiaries will be identified before cost allocation methods are applied.
- Cost assignments shall be commensurate with estimated benefits.
- Those that receive no benefits must not be involuntarily assigned costs.
- A benefit-to-cost threshold of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded.
- Costs must be allocated solely within the WestConnect Planning Region, unless other regions or entities voluntarily assume costs.
- Costs for upgrades on neighboring transmission systems or other planning regions that are (i) required to be mitigated by the WECC Path Rating process, FERC tariff requirements, or NERC Reliability Standards, or (ii) negotiated among interconnected parties will be included in the total project costs and used in the calculation of B/C ratios.
- Cost allocation method and data shall be transparent and with adequate documentation.
- Different cost allocation methods may be used for different types of projects.

Specifically, the PMC will consider the following projects eligible for cost allocation consideration as further described below based on specified criteria:

- Reliability projects;
- Economic or congestion relief projects; or
- Public policy projects.

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses and other requirements, as specified herein, are eligible for cost allocation in the WestConnect Planning Region. The Transmission Provider encourages all interested Stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation assessment. Summary provisions are provided below:⁵

Note 5: References to “Transmission Owners” in the cost allocation provisions are to transmission owners for whom the WestConnect Planning Management Committee is performing the function of regional transmission planning. At present, those Transmission Owners are Transmission Owners with a Load Serving Obligation members.

1. Allocation of Costs for Reliability Projects

In order to allocate costs to Transmission Owners for system reliability improvements that are necessary for their systems to meet the NERC Transmission Planning (TPL) Reliability Standards, the WestConnect cost allocation procedure shall allocate costs for system reliability improvements only when a system improvement is required to comply with the NERC Transmission Planning (TPL) Reliability Standards during the planning horizon.

All components of a Transmission Owner's local transmission plan shall be included in the Regional Plan and shall be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis shall be performed on the collective plans to ensure the combined plans adhere to all relevant NERC Transmission Planning (TPL) Reliability Standards and Stakeholders shall be afforded an opportunity to propose projects that are more efficient or cost-effective than components of multiple Transmission Owner local plans as outlined in Section III.F, above.

Should a reliability issue be identified in the review of the included local transmission plan, the project necessary to address that reliability issue shall be included in the Regional Plan and the cost shall be shared by the utilities whose load contributed to the need for the project.

Should multiple utilities have separate reliability issues that are addressed more efficiently or cost-effectively by a single regional project, that regional project shall be approved for selection in the Regional Plan and the cost shall be shared by those Transmission Owners in proportion to the cost of alternatives that could be pursued by the individual Transmission Owners to resolve the reliability issue. The ultimate responsibility for maintaining system reliability and compliance with NERC Transmission Planning (TPL) Reliability Standards rests with each Transmission Owner.

The costs for regional reliability projects shall be allocated according to the following equation:

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant Transmission Owner's retail distribution service territory or footprint

- 2 is the total cost of local reliability upgrades in the combination of Transmission Owners' retail distribution service territories or footprints necessary to avoid construction of the regional reliability project
- 3 is the total cost of the regional reliability project
- 4 is the total cost allocated to the relevant Transmission Owner's retail distribution service territory or footprint

The manner in which the PMC applied this methodology to allocate the costs of each regional reliability project shall be described in the Regional Plan.

2. Allocation of Costs for Economic Projects

Cost allocation for economic projects associated with congestion relief that provide for more economic operation of the system will be based on the calculation of economic benefits that each Transmission Owner system will receive. Cost allocation for economic projects shall include scenario analyses to ensure that benefits will actually be received by beneficiaries with relative certainty. Projects for which benefits and beneficiaries are highly uncertain and vary beyond reasonable parameters based on assumptions about future conditions will not be selected for cost allocation.

In order for a project to be considered economically-justified and receive cost allocation associated with economic projects, the project must have a B/C ratio that is greater than 1.0 under each reasonable scenario evaluated and have an average ratio of at least 1.25 under all reasonable scenarios evaluated. Costs will be allocated on the basis of the average of all scenarios evaluated. The B/C ratio shall be calculated by the PMC. This B/C ratio shall be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

The cost of any project that has an aggregate 1.25 B/C ratio or greater will be divided among the Transmission Owners that show a benefit based on the amount of benefits calculated to each respective Transmission Owner. For example, if a \$100 million dollar project is shown to have \$150 million in economic benefit, the entities for which the economic benefit is incurred will be determined. The cost of the project will then be allocated to those entities, based on the extent of each entity's economic benefits relative to the total project benefits. This will ensure that each entity that is allocated cost has a B/C ratio equal to the total project B/C ratio. For example:

- Project with \$150 million in economic benefit and \$100 million in cost

- Company 1 has \$90 million in benefits; Company 2 has \$60 million in benefits
- Company 1 allocation: $90/150 (100) = \$60$ million
- Company 1 B/C ratio: $90/60 = 1.5$
- Company 2 allocation: $60/150 (100) = \$40$ million
- Company 2 B/C ratio: $60/40 = 1.5$

Other than through the reevaluation process described in Section III.J of this Attachment K, the benefits and costs used in the evaluation shall only be calculated during the planning period and shall be compared on a net present value basis.

The WestConnect economic planning process shall consider production cost savings and reduction in reserve sharing requirements as economic benefits capable of contributing to the determination that a project is economically justified for cost allocation. Production cost savings are to be determined by the PMC performing a product cost simulation to model the impact of the transmission project on production costs and congestion. Production cost savings will be calculated as the reduction in production costs between a production cost simulation with the project included compared to a simulation without the project. Reductions in reserve sharing requirements are to be determined by the PMC identifying a transmission project's impact on the reserve requirements of individual transmission systems, and not on the basis of the project's collective impact on a reserve sharing group, as a whole. The production cost models are to appropriately consider the hurdle rates between transmission systems. The following production cost principles may be applied:

- The production cost savings from a project must be present in each year from the project in-service date and extending out at least ten (10) years.
- Cost savings must be expressed in present-value dollars and should consider the impact of various fuel cost forecasts.
- The production cost study must account for contracts and agreements related to the use of the transmission system (this refers to paths in systems that might be contractually limited but not reliability limited).
- The production cost study must account for contracts and agreements related to the access and use of generation (this refers to generators that might only use spot purchases for fuel rather than firm purchases, or generation that has been designated as network resources for some entities and thus cannot be accessed at will by non-owners).

Access by Stakeholders to the PMC's application of its regional cost allocation method for a specific economic transmission project is available in several ways:

First, Stakeholders that are members of the PMC will have firsthand knowledge of the way in which the regional method was applied to a particular project because the PMC is responsible for performing the application of the regional cost allocation method. Second, Stakeholders that choose not to become members of the PMC may access such information through the WestConnect regional Stakeholder process. *See* Section III.B of this Attachment K. Third, the manner in which the PMC applied this methodology to allocate the costs of each economic project shall be described in the Regional Plan.

In determining which entities shall be allocated costs for economic projects, WestConnect shall compare the economic value of benefits received by an entity with the cost of the project to ensure that each entity allocated cost receives a benefit/cost ratio equal to the aggregate load-weighted benefit-to-cost ratio. These costs allocated to each company shall be calculated based on the following equation:

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the total projected present value of economic benefits for the relevant Transmission Owner
- 2 is the total projected present value of economic benefits for the entire project
- 3 is the total cost of the economic project
- 4 is the total cost allocated to the relevant Transmission Owner

Any Transmission Owner with benefits less than or equal to one percent of total project benefits shall be excluded from cost allocation. Where a project satisfies the B/C ratio, and is determined to provide benefits less than or equal to one percent of total project benefits to an identified Transmission Owner, such benefits will be re-allocated to all other identified beneficiaries on a pro rata basis, in relation to each entity's share of total project benefits.

3. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from Public Policy Requirements shall be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from proposed public policy shall be reported by each entity for its own service territory. Decisions on the inclusion of those needs shall be made during the consideration and approval of the system models. Transmission needs driven by Public Policy Requirements will be included in the evaluation of reliability and economic projects.

Except for projects proposed through a Transmission Owner's local transmission planning process, arising out of a local need for transmission infrastructure to satisfy Public Policy Requirements that are not submitted as projects proposed for cost allocation (which are addressed in Section II of this Attachment K), any projects arising out of a regional need for transmission infrastructure to satisfy the Public Policy Requirements shall be considered public policy projects eligible for evaluation in the Regional Planning Process.

Stakeholders may participate in identifying regional transmission needs driven by Public Policy Requirements. After seeking the input of Stakeholders pursuant to the Stakeholder participation provisions of Section III, the PMC is to determine whether to move forward with the identification of a regional solution to a particular regional need driven by Public Policy Requirements. Stakeholders may participate in identifying a regional solution to a regional need driven by Public Policy Requirements pursuant to the Stakeholder participation provisions of Section III, or through membership on the PMC itself. After seeking the input of Stakeholders, the PMC is to determine whether to select a particular regional solution in the regional transmission plan for purposes of cost allocation. The identification of beneficiaries of these projects shall be the entities that shall access the resources enabled by the project in order to meet their Public Policy Requirements.

If an entity accesses resources that were enabled by a prior public policy project, that entity shall need to either share in its relative share of the costs of that public policy project or acquire sufficient transmission service rights to move the resources to its load with the determination left up to the entity or entities that were originally allocated the cost for the public policy project.

The costs for public policy projects shall be allocated according to the following equation:

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the number of megawatts of public policy resources enabled by the public policy project for the entity in question
- 2 is the total number of megawatts of public policy resources enabled by the public policy project
- 3 is the total project cost
- 4 is the cost for the public policy project allocated to the entity in question

The process to interconnect individual generation resources would be provided for under the generator interconnection section each utility's Open Access Transmission Tariff (OATT) and not under this process.

Requests for transmission service that originate in a member's system and terminate at the border shall be handled through that member's OATT. Regional transmission needs necessary to meet Public Policy Requirements shall be addressed through the Public Policy Requirements section of the Regional Planning Process.

The manner in which WestConnect applied this methodology to each public policy project shall be described in the Regional Transmission Plan.

4. Combination of Benefits

In developing a more efficient or cost-effective plan, it is possible for the plan to jointly consider multiple types of benefits when approving projects for inclusion in the Regional Plan. The determination to consider multiple types of benefits for a particular project shall be made through the WestConnect Stakeholder process, in which interested Stakeholders are given an opportunity to provide input as set forth in Section III of this Attachment K. In determining whether a project would provide multiple benefits, the PMC is to categorize the benefits as (a) necessary to meet NERC Transmission Planning (TPL) Reliability Standards (reliability); (b) achieving production cost savings or a reduction in reserve sharing requirements (economic); or (c) necessary to meet transmission needs driven by Public Policy Requirements, as applicable, using the methods set forth in this Attachment K. The PMC will identify all three categories of benefits in its regional cost allocation process. If a project cannot pass the cost allocation threshold for any one of the three benefit categories, alone (reliability, economic or public policy), the sum of benefits from each benefit category may be considered.

- With respect to a reliability-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater, by a margin of 1.25 or more to 1, than the result of the equation identified in Section VI.B.1 above (where the result is shown as item 4 in the formula).
- With respect to an economic-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater than the project's cost to each beneficiary under each reasonable scenario evaluated, and must yield an average ratio of at least 1.25 to 1 under all reasonable scenarios evaluated, as described in Section VI.B.2 above.
- With respect to a Public Policy Requirements-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater, by a margin of 1.25 or more to 1, than the result of the equation identified in Section VI.B.3 above (where the result is shown as item 4 in the formula).

If a single regional transmission project is determined to provide benefits in more than one category, but does not meet the benefit-to-cost threshold for any single category, the PMC may consider the sum of benefits from each benefit category to determine if the regional transmission project provides, in total, benefits per beneficiary that meet or exceed the region's 1.25 to 1 benefit-to-cost ratio. To illustrate, consider the following example where a regional project developed to provide public policy requirement benefits might also provide for economic benefits to the same beneficiaries:

A regional project submittal has undergone analysis for its quantifiable benefits and costs and is determined to cost \$100 million and produce benefits to identified beneficiaries in two categories: economic benefits of \$101 million (on average, under all economic scenarios quantified), and public policy requirement benefits of \$70 million. The project is found to fail the benefit-to-cost threshold for each category, individually, but when the total benefits are combined and the project's total regional benefits per beneficiary are weighed against the project's total costs per beneficiary, the project can be found to meet or surpass the region's 1.25 to 1 benefit-to-cost ratio per beneficiary:

- The benefits to Beneficiary A of pursuing the regional solution (60% of the regional project's total \$171 million in benefits) = \$102.6 million. When \$102.6 million in project benefits is compared against \$60 million in project costs (60% of project costs), it yields a B/C ratio of 1.71 to 1 for Beneficiary A.
- The benefits to Beneficiary B of pursuing the regional solution (40% of the regional project's total \$171 million in benefits) = \$68.4 million. When \$68.4 million in project benefits is compared against \$40 million in project costs (40% of project costs), it yields a B/C ratio of 1.71 to 1 for Beneficiary B.

Even though the regional project does not pass the cost allocation threshold in any individual benefit category, the PMC may consider the sum of the project's benefits in all categories.

For those regional projects that satisfy the region's cost allocation threshold, the PMC then will continue its evaluation process by considering whether the regional project meets the region's identified reliability, economic and Public Policy Requirements-driven needs more efficiently or cost-effectively than solutions identified by individual transmission providers in their local transmission planning processes.

The costs for projects that rely upon multiple types of benefits to secure inclusion in the Regional Plan for purposes of cost allocation shall be shared according to the amount of cost that is justified by each type of benefit.

5. Allocation of Ownership and Capacity Rights

An Eligible Transmission Developer that is subject to the Commission's jurisdiction under Section 205 of the Federal Power Act may not recover project costs from identified beneficiaries in the WestConnect Planning Region without securing approval for project cost recovery from the Commission through a separate proceeding brought by the Eligible Transmission Developer under Section 205 of the Federal Power Act. In no event will identified beneficiaries in the WestConnect Planning Region from whom project costs are sought to be recovered under Section 205 be denied either transmission transfer capability or ownership rights proportionate to their allocated costs, as determined by the Commission in such proceeding. An Eligible Transmission Developer that is not subject to the Commission's jurisdiction under Section 205 of the Federal Power Act would have to seek cost recovery from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from the Commission for project cost recovery pursuant to any other applicable section of the Federal Power Act.

If a project beneficiary receives transmission transfer capability on the project in exchange for transmission service payments, such project beneficiary may resell the transfer capability. Alternatively, a project beneficiary could seek to make a direct capital contribution to the project construction cost (in lieu of making transmission service payments) in which case the project beneficiary would instead receive an ownership percentage in proportion to their capital contribution (Ownership Proposal). This Ownership Proposal does not create a right of first refusal for transmission beneficiaries.

An ownership alternative will only be pursued if the Eligible Transmission Developer agrees. The Eligible Transmission Developer and the beneficiaries will enter into contract negotiations to address the many details regarding the capital funding mechanics and timing, as well as other details, such as defining (as between the Eligible Transmission Developer, whether a nonincumbent or incumbent transmission developer, and those receiving ownership interests) responsibility for operations and maintenance, administrative tasks, compliance with governing laws and regulations, etc. These negotiations will take place at arm's length, without any one party having undue leverage over the other.

A transmission project beneficiary should not be expected to pay for its benefits from the project twice: once through a capital contribution, and again through transmission service payments. The Ownership Proposal permits an ownership share in a project that is in the same proportion to a beneficiary's allocable costs, which costs will have been allocated roughly commensurate with the benefits to be gained from the project. This will allow the beneficiary to earn a return on its investment. In addition, it allows those beneficiaries that may not necessarily benefit from additional transfer capability on a new transmission project, whether due to lack of contiguity to the new facilities or otherwise, to realize the benefits through an ownership option.

Any transmission project participant that is identified as a beneficiary of the project might be permitted by the Eligible Transmission Developer to contribute capital (in lieu of transmission service payments) and receive a proportionate share of ownership rights in the transmission project. The Ownership Proposal affords an identified beneficiary who contributes toward the project costs the opportunity to obtain an ownership interest in lieu of an allocated share of the project costs through transmission service payments for transfer capability on the project; it does not, however, confer a right to invest capital in a project. The Ownership Proposal merely identifies that, to the extent it is agreed among the parties that capital may be contributed toward a transmission project's construction, a proportionate share of ownership rights will follow.

Nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes any new service on beneficiaries. Similarly, nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes on an Eligible Transmission Developer an obligation to become a provider of transmission services to identified beneficiaries simply as a result of a project's having been selected in the Regional Plan for purposes of cost allocation; provided, however, if that Eligible Transmission Developer seeks authorization to provide transmission services to beneficiaries or others, and to charge rates or otherwise recover costs from beneficiaries or others associated with any transmission services it were to propose, it must do so by contract and/or under separate proceedings under the Federal Power Act. The purpose of this Section VI.B.5 is to (a) provide an option to a project developer to negotiate ownership rights in the project with identified beneficiaries, if both the developer and the identified beneficiaries mutually desire to do so, (b) specify that, although Order No. 1000 cost allocation does not impose any new service on beneficiaries, identified beneficiaries have the opportunity to discuss with the project developer the potential for entering into transmission service agreements for transmission capacity rights in the project, and (c) ensure that Order No. 1000 cost allocation does not mean that a project developer may recover project costs from identified beneficiaries without providing transmission transfer capability or

ownership rights, and without securing approval for project cost recovery by contract and/or under a separate proceeding under the Federal Power Act.

If an Eligible Transmission Developer is not subject to FERC's jurisdiction under Section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

6. Project Development Schedule

The WestConnect PMC will not be responsible for managing the development of any project selected for inclusion in the Regional Plan. However, after having selected a project in the Regional Plan, the PMC will monitor the status of the project's development. If a transmission facility is selected for inclusion in the Regional Plan for purposes of cost allocation, the transmission developer of that transmission facility must submit a development schedule that indicates the required steps, such as the granting of state approvals, necessary to develop and construct the transmission facility such that it meets the regional transmission needs of the WestConnect Planning Region. As part of the ongoing monitoring of the status of the transmission project once it is selected, the Transmission Owners and Providers in the WestConnect Planning Region shall establish the dates by which the required steps to construct must be achieved that are tied to when construction must begin to timely meet the need that the project is selected to address. If such required steps have not been achieved by those dates, then the Transmission Owners and Providers in the WestConnect Planning Region may remove the transmission project from the selected category and proceed with reevaluating the Regional Plan to seek an alternative solution.

7. Economic Benefits or Congestion Relief

If an entity submits a request for a project wholly on the Transmission Provider's Transmission System for economic reasons or congestion relief, the project costs will be allocated to the entity submitting the request.

8. Selection of a Transmission Developer for Sponsored and Unsponsored Projects

For any project (sponsored or unsponsored) determined by the PMC to be eligible for regional cost allocation and selected in the Regional Plan for purposes of cost allocation, the PMC shall select a transmission project developer according to the processes set forth in this section, provided that selection according to those processes does not violate applicable law where the transmission facility is to be built that otherwise prescribes the entity that shall develop and build the project. Any entity that, pursuant to applicable law for the location where the facilities are to be built, shall or chooses to develop and build the project must submit a project development schedule as required by Section VI.B.6 of this Attachment K, within the timeframe directed by the Business Practice Manual, not to exceed the time period for request for proposal responses.

For any project determined by the PMC to be eligible for regional cost allocation and selected in the Regional Plan for purposes of cost allocation, either sponsored by a transmission developer or unsponsored, that is not subject to the foregoing paragraph, the PMC shall upon posting the selected projects, issue a request for information to all Eligible Transmission Developers under Section III.D.3 of this Attachment K soliciting their interest in developing the project(s). Each transmission developer shall respond to the request for information indicating its interest in developing the project. The PMC shall post on the WestConnect website the list of all transmission developers who responded with an expression of interest in developing the project(s). The PMC shall provide to each developer indicating interest in developing a project a request for proposals for the identified project(s) with a specified date of return for all proposals.

Each transmission developer, or partnership or joint ventures of transmission developers, shall submit information demonstrating its ability to finance, own and construct the project consistent with the guidelines for doing so set forth in the WestConnect Business Practices Manual. The PMC shall assess the submissions according to the following process and criteria:

The evaluation of the request for proposals will be at the direction of the PMC, and will involve representatives of the beneficiaries of the proposed project(s). The evaluation will include, but not be limited to, an assessment of the following evidence and criteria.

- General qualifications of the bidding entity;
- Evidence of financing/financial creditworthiness, including
 - financing plan (sources debt and equity), including construction financing and long-term financing
 - ability to finance restoration/forced outages
 - credit ratings

- financial statements;
- Safety program and experience;
- Project description, including
 - detailed proposed project description and route
 - design parameters
 - design life of equipment and facilities
 - description of alternative project variations;
- Development of project, including
 - experience with and current capabilities and plan for obtaining state and local licenses, permits, and approvals
 - experience with and current capabilities and plan for obtaining any federal licenses and permits
 - experience with and expertise and plan for obtaining rights of way
 - development schedule
 - development budget;
- Construction, including
 - experience with and current capabilities and plan for project construction
 - third party contractors
 - procurement plan
 - project management (cost and schedule control)
 - construction schedule
 - construction budget (including all construction and period costs);
- Operations, including
 - experience with and current capabilities and plan for project operation
 - experience with and current capabilities and plan for NERC compliance
 - security program and plan
 - storm/outage response plan
 - reliability of facilities already in operation;
- Maintenance capabilities and plans for project maintenance (including staffing, equipment, crew training, and facilities);
- Project cost to beneficiaries, including
 - total project cost (development, construction, financing, and other non-O&M costs)
 - operation and maintenance costs, including evaluation of electrical losses

- revenue requirement, including proposed cost of equity, FERC incentives, proposed cost of debt and total revenue requirement calculation
- present value cost of project to beneficiaries.

The PMC shall notify the developers of its determination as to which developer(s) it selected to develop the project(s) responsive to the request for proposal. The selected developer(s) must submit a project development schedule as required by Section VI.B.6 of this Attachment K.

If the PMC determines that a sponsored or unsponsored project fails to secure a developer through the process outlined in this section, the PMC shall remove the project from the Regional Plan.

After the PMC makes a determination, it will post a document on the WestConnect website within 60 days explaining the PMC's determination in selecting a particular transmission developer for a specific transmission project. The information will explain (1) the reasons why a particular transmission developer was selected or not selected, and, if applicable, (2) the reasons why a transmission project failed to secure a transmission developer.

9. No Obligation to Construct

The Regional Planning Process is intended to determine and recommend more efficient or cost-effective transmission solutions for the WestConnect Planning Region. After the Regional Plan is approved, due to the uncertainty in the planning process and the need to address cost recovery issues, the Regional Planning Process shall not obligate any entity to construct, nor obligate any entity to commit to construct, any facilities, including any transmission facilities, regardless of whether such facilities are included in any plan. Nothing in this Attachment K or the Planning Participation Agreement or any cost allocation under the Business Practice Manual or the Planning Participation Agreement will (1) determine any transmission service to be received by, or any transmission usage by, any entity, (2) obligate any entity to purchase or pay for, or obligate any entity to commit to purchase or pay for, any transmission service or usage, or (3) entitle any entity to recover for any transmission service or usage or to recover from any entity any cost of any transmission facilities, regardless of whether such transmission facilities are included in any plan. Without limiting the generality of the foregoing, nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement with respect to an Order No. 1000 cost allocation shall preclude WestConnect or any other entity from carrying out any of its statutory authorities or complying with any of its statutory obligations.

10. Binding Order No. 1000 Cost Allocation Methods

Order No. 1000 cost allocation methods as set forth in Section VI of this Attachment K are binding on identified beneficiaries enrolled in the WestConnect Planning Region, without prejudice to the following rights and obligations: (1) the right of a CTO, at its sole discretion, to decide whether to accept regional cost allocation in accordance with Section III.J; (2) the right and obligation of the PMC to reevaluate a transmission facility previously selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation under Section III.K of this Attachment K; (3) the right and obligation of an Eligible Transmission Developer to make a filing under Section 205 or other applicable provision of the Federal Power Act in order to seek approval from the Commission to recover the costs of any transmission facility selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation; (4) the right and obligation of any interested person to intervene and be heard before the Commission in a proceeding under Section 205 or other applicable provisions of the Federal Power Act initiated by an Eligible Transmission Developer, including the right of any identified beneficiaries of the transmission facility to support or protest the filing and to present evidence on whether the proposed cost recovery is or is not just and reasonable; and (5) the right and obligation of the Commission to act under Section 205 or other applicable provisions of the Federal Power Act to approve or deny any cost recovery sought by an Eligible Transmission Developer for a transmission facility selected in the regional plan for purposes of Order No. 1000 cost allocation.⁶

Note 6: An Eligible Transmission Developer may not be subject to the Commission's Section 205 jurisdiction. See Section VI.B.5. If an Eligible Transmission Developer is not subject to FERC's jurisdiction under Section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from the Commission for project cost recovery pursuant to any other applicable section of the Federal Power Act.

11. Impacts of a Regional Project on Neighboring Planning Regions

The PMC is to study the impact(s) of a regional transmission project on neighboring planning regions, including the resulting need, if any, for mitigation measures in such neighboring planning regions. If the PMC finds that a regional transmission project in the WestConnect Planning Region causes impacts on a neighboring planning region that requires mitigation (a) by the WECC Path Rating Process, (b) under FERC OATT requirements, (c) under NERC Reliability Standards

requirements, and/or (d) under any negotiated arrangement between the interconnected entities, the PMC is to include the costs of any such mitigation measures into the regional transmission project's total project costs for purposes of determining the project's eligibility for regional cost allocation under the procedures identified in Section VI.B of this Attachment K, including application of the region's benefits-to-costs analysis.

The WestConnect Planning Region will not be responsible for compensating a neighboring planning region, transmission provider, Transmission Owner, Balancing Area Authority, or any other entity, for the costs of any required mitigation measures, or other consequences, on their systems associated with a regional transmission project in the WestConnect Planning Region, whether identified by the PMC or the neighboring system(s). The PMC does not direct the construction of transmission facilities, does not operate transmission facilities or provide transmission services, and does not charge or collect revenues for the performance of any transmission or other services. Therefore, in agreeing to study the impacts of a regional transmission facility on neighboring planning regions, the PMC is not agreeing to bear the costs of any mitigation measures it identifies. However, the PMC will request of any developer of a regional transmission project selected in the Regional Plan for purposes of cost allocation that the developer design and build its project to mitigate the project's identified impacts on neighboring planning regions. If the project is identified as impacting a neighboring planning region that accords less favorable mitigation treatment to the WestConnect Planning Region than the WestConnect Planning Region accords to it, the PMC will request that the project developer reciprocate by using the lesser of (i) the neighboring region's mitigation treatment applicable to the mitigation of impacts of its own regional projects on the WestConnect Planning Region, or (ii) the PMC's mitigation treatment set forth above in sub-sections VI.B.11 (a) through (d).

12. Exclusions

The cost for transmission projects undertaken in connection with requests for generator interconnection or transmission service on the Transmission Provider's Transmission System, which are governed by existing cost allocation methods within the Tariff, shall continue to be so governed and shall not be subject to the principles of this Section VI.

As provided in Section 13.5 (Transmission Customer Obligations for Facility Additions and Redispatch Costs), Section 27 (Compensation for New Facilities and Redispatch Costs) and Section 31.2 (New Network Loads Connected with the Transmission Provider) of the Tariff, and the transmission customer's individual service agreement (if applicable), the transmission customer or entity requesting generator interconnection or transmission service shall be responsible for the

installed cost of all new load serving interconnections or upgrades to existing load serving interconnections.

VII. Interregional Planning

This Part VII of Attachment K sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order 1000 interregional provisions. WestConnect is to conduct the activities and processes set forth in this Part VII of this part of Attachment K in accordance with the provisions of this Part VII of this part of Attachment K and the other provisions of this Attachment K.

Nothing in this part will preclude any Transmission Owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

Any Interregional Cost Allocation regarding any ITP (as defined herein) is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region.

References in this Part VII to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order 1000.

A. Definitions

The following capitalized terms where used in this Part VII of Attachment K, are defined as follows:

Annual Interregional Coordination Meeting: shall have the meaning set forth in Section VII.C below.

Annual Interregional Information: shall have the meaning set forth in Section VII.B below.

Interregional Cost Allocation: means the assignment of ITP costs between or among Planning Regions as described in Section VII.E.2 below.

Interregional Transmission Project (“ITP”): means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions and that is

submitted into the regional transmission planning processes of all such Planning Regions in accordance with Section VII.D.1.

Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language: means this Part VII, which relates to Order No. 1000 interregional provisions.

Planning Region: means each of the following Order No. 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, ColumbiaGrid, Northern Tier Transmission Group, and WestConnect.

Relevant Planning Regions: means, with respect to an ITP, the Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with Section VII.D.2, at which time it shall no longer be considered a Relevant Planning Region.

B. Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, WestConnect is to make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in WestConnect's transmission planning region and potential solutions thereto:

- (i) study plan or underlying information that would typically be included in a study plan, such as:
 - (a) identification of base cases;
 - (b) planning study assumptions; and
 - (c) study methodologies;
- (ii) initial study reports (or system assessments); and
- (iii) regional transmission plan

(collectively referred to as "Annual Interregional Information").

WestConnect is to post its Annual Interregional Information on its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process WestConnect's Annual Interregional Information. WestConnect may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

WestConnect is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by WestConnect in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if WestConnect reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by WestConnect shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under WestConnect's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by WestConnect shall be "AS IS" and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of WestConnect, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

C. Annual Interregional Coordination Meeting

WestConnect is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. WestConnect is to host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31st. The Annual Interregional Coordination Meeting is to be open to stakeholders. WestConnect is to provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

- (i) each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);
- (ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently; and
- (iii) updates of the status of ITPs being evaluated or previously included in WestConnect's regional transmission plan.

D. ITP Joint Evaluation Process

1. Submission Requirements

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section VII.D.2 by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31st of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region's regional transmission planning process. In addition to satisfying each Relevant Planning Region's information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

2. Joint Evaluation of an ITP

For each ITP that meets the requirements of Section VII.D.1, WestConnect (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with Section VII.D.1 or the immediately following calendar year. With respect to any such ITP, WestConnect (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

- (i) ITP data and projected ITP costs; and
- (ii) the study assumptions and methodologies it is to use in evaluating the ITP pursuant to its regional transmission planning process.

For each ITP that meets the requirements of Section VII.D.1, WestConnect (if it is a Relevant Planning Region):

- (a) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's evaluation of the ITP;
- (b) is to provide Stakeholders an opportunity to participate in WestConnect's activities under this Section VII.D.2 in accordance with its regional transmission planning process;
- (c) is to notify the other Relevant Planning Regions if WestConnect determines that the ITP will not meet any of its regional transmission needs; thereafter

WestConnect has no obligation under this Section VII.D.2 to participate in the joint evaluation of the ITP; and

- (d) is to determine under its regional transmission planning process if such ITP is a more cost effective or efficient solution to one or more of WestConnect's regional transmission needs.

E. Interregional Cost Allocation Process

1. Submission Requirements

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with Section VII.D.1, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from WestConnect and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

2. Interregional Cost Allocation Process

For each ITP that meets the requirements of Section VII.E.1, WestConnect (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

- (i) assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;
- (ii) WestConnect's regional benefits stated in dollars resulting from the ITP, if any; and

- (iii) assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to Section VII.F.2 below) to each Relevant Planning Region using the methodology described in this Section VII.E.2.

For each ITP that meets the requirements of Section VII.E.1, WestConnect (if it is a Relevant Planning Region):

- (a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's analysis;
- (b) is to provide Stakeholders an opportunity to participate in WestConnect's activities under this Section VII.E.2 in accordance with its regional transmission planning process;
- (c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in WestConnect, WestConnect is to use its regional cost allocation methodology, as applied to ITPs;
- (d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;
- (e) is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; WestConnect may use such information to identify its total share of the projected costs of the ITP to be assigned to WestConnect in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in WestConnect;
- (f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and
- (g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to this Section VII.E.2 in the same general time frame as its joint evaluation activities pursuant to Section VII.D.2.

F. Application of Regional Cost Allocation Methodology to Selected ITP

1. Selection by All Relevant Planning Regions

If WestConnect (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Section VII.E.2(d) or VII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

2. Selection by at Least Two but Fewer than All Relevant Regions

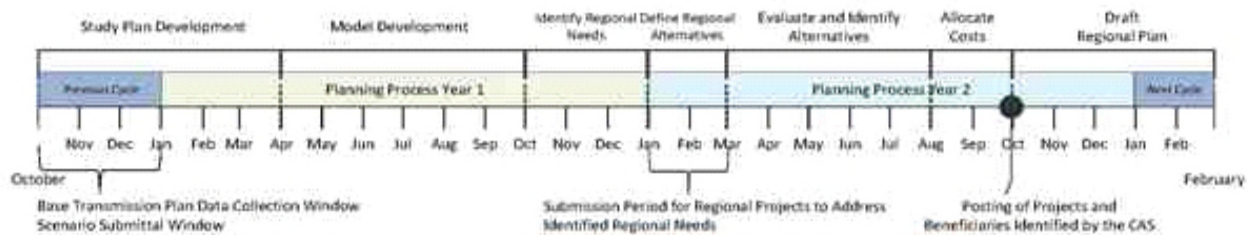
If WestConnect (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to evaluate (or reevaluate, as the case may be) pursuant to Sections VII.E.2(d), VII.E.2(e), and VII.E.2(f) above whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of WestConnect and at least one other Relevant Planning Region, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections VII.E.2(d) or VII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

VIII. Recovery of Planning Costs

Unless the Transmission Provider allocates planning-related costs to an individual Stakeholder as permitted under the Tariff, all costs incurred by the Transmission Provider related to the local transmission planning process, or as part of sub-regional or regional planning process, will be included in the Transmission Provider's transmission rates, as applicable.

Exhibit 1



Regional Planning Process Activity	Activity Timeframe
Stakeholder meetings	WestConnect will hold open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the PMC with 30-days advance notice, to update stakeholders about its progress in developing the Regional Plan and to solicit input regarding material matters of process related to the regional transmission plan.
Base transmission plan data collection window	The PS will initiate development of the base transmission plan no later than Quarter 8 of the previous biennial planning cycle and in conjunction with initiating the development of the Regional Study Plan. The submittal window for projects to be considered as part of the base transmission plan will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
Scenario submittal window	A scenario submittal window will open when the development of the Regional Study Plan commences and no later than Quarter 8 of the previous biennial planning cycle. The scenario submittal window will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
Identification of regional needs	Identified regional needs will be posted to the WestConnect website no later than close of Quarter 4 of the first year of the biennial cycle.
Submission Period for Regional Projects to Address Identified Regional Needs	For consideration in the current planning cycle, projects must be submitted following the posting of identified regional needs to the WestConnect website, and must occur before the end of Quarter 5 of the biennial planning cycle. Any project submitted after this date will be considered in the next subsequent planning cycle.

ATTACHMENT L

Creditworthiness Procedures

Transmission Customer must maintain a credit limit equal to or exceeding the estimated highest 60 day credit exposure. If the unsecured credit limit granted is insufficient, or unsecured credit is denied, the Applicant and/or Transmission Customer must provide collateral/security required by the Transmission Provider in a form and amount satisfactory to the Transmission Provider.

A. Summary of Credit Review Procedures

An initial credit analysis will be performed on all customers desiring to purchase service under the Tariff. The creditworthiness of the Transmission Customer or potential Transmission Customer (collectively, a “Transmission Customer”) must be determined through a fundamental analysis of the Transmission Customer’s financial and operational condition prior to receiving transmission service. Transmission Provider’s Credit Risk Administrator analyzes the financial strength of credit applicants based on both quantitative and qualitative criteria and makes a subsequent decision that is communicated to the Oasis Administrator, which is responsible for administering transmission service under the Tariff. Any Transmission Customer must satisfy the requirements of Transmission Provider’s Creditworthiness Procedures prior to receiving transmission service.

Except as required by regulation or law, applicant credit information is not released to outside third parties.

The credit analysis can include applicant supplied and/or independently obtained data from sources such as annual audited and quarterly financial statements, SEC filings, and Dun & Bradstreet, Standard & Poor’s “S&P”, Moody’s, and Fitch reports.

Examples of the criteria used in the credit review process include, but are not limited to, the following:

Quantitative Criteria:

- a. Financial ratios (capitalization metrics, equity and asset metrics, operating and net margin metrics, tangible net worth metrics, debt and interest coverage metrics, cash flow metrics, etc.)
- b. Financial trends (year to year, quarter to quarter, etc.)

c. Credit Ratings from S&P, Moody's or Fitch

Qualitative Criteria:

- a. Power supply portfolio
- b. Rate policy/ ability to set and maintain rates to recover cost
- c. Management reputation
- d. Risk profile of industry classification
- e. Corporate strategy/reputation
- f. Credit risk management capability
- g. Past or present performance under credit or loan agreements
- h. Market indicators such as share price movement, estimated default frequencies, credit spreads and bond spreads
- i. Evaluation of Generation, Purchase and Load Requirements
- j. Quality of earnings
- k. Quality of equity and Tangible Net Worth (TNW)
- l. Quality of assets and geographical diversification or concentration
- m. Adequacy and availability of liquidity
- n. Cash flows and cash requirements
- o. Structure of capital, debt and leverage
- p. Off-Balance sheet debt
- q. Guarantees and other assurances
- r. Commitments and contingencies / legal risk
- s. Trading operations and risk disclosures
- t. Regulatory environment

B. Qualification for Unsecured Credit

Transmission Customers may apply for unsecured credit by completing a Credit Application available on the Transmission Provider's OASIS. Transmission Provider's Credit Risk Administrator will make reasonable efforts to review the Credit Application or request additional information if required within ten (10) business days of receipt. Failure to submit all the required information may result in a delay of the credit review and approval. There are two methods for Transmission Customers to potentially qualify for unsecured credit with Transmission Provider.

To qualify for credit, Transmission Customers must not currently be in payment default to Transmission Provider or another known party and not have been in payment default to Transmission Provider or another known party during the prior 3 years and must undergo

a comprehensive creditworthiness evaluation. Both quantitative and qualitative criteria will be evaluated. These Transmission Customers are required to provide the following information:

- i. Three years of audited financial statements including income statement, balance sheet, cash flow statements, and accompanying footnotes (Transmission Customers without three years of audited financial statements should provide the maximum number of years available).

Transmission Customers that apply for unsecured credit will be evaluated in part based on their credit ratings by S&P, Moody's and/or Fitch credit rating agencies.

Alternatively, Transmission Provider will assign an internal credit rating to Transmission Customers based on both quantitative and qualitative criteria, which such rating shall follow the same scale as S&P (e.g. AAA, AA, A, BBB, BB, etc.).

Transmission Customers with Transmission Provider internal Credit Ratings of BBB or higher will qualify for unsecured credit. The unsecured credit limit assigned is defined in the table below. Transmission Customers rated below investment grade will need to provide an acceptable form of credit support security as set forth in Section C below.

<u>Transmission Provider</u>		<u>Credit Limit (in \$Million)</u>	
A to AAA		\$10	
A-		\$7.5	
BBB+		\$5.0	
BBB		\$2.5	
BBB-		\$0	

All Transmission Customers qualifying for unsecured credit will be re-evaluated for creditworthiness at least biannually, or more frequently if the Transmission Provider has commercially reasonable grounds to believe there has been a material adverse change in the Transmission Customer's creditworthiness, and may be required to provide updated financial information to the Transmission Provider's Credit Risk Administrator.

Notwithstanding any other statement in these Creditworthiness Business Procedures, if a Transmission Customer, its affiliate, or Credit Provider is in default of a payment obligation with Transmission Provider or another known party, Transmission Provider may, without notice to Transmission Customer, set the Transmission Customer's unsecured credit limit at \$0.

C. List of Acceptable Forms of Credit Support Security

Acceptable Credit Support Security could include one or a combination of the following, at Transmission Provider's discretion:

- a. Parental guaranty, in a form acceptable to Transmission Provider, from an entity meeting the criteria above
- b. Unconditional and irrevocable letter of credit, in a form acceptable to Transmission Provider, from an issuer satisfying the following requirements:
 - i. Issuer must be a U.S. commercial bank or a licensed U.S. branch of a foreign bank;
 - ii. Issuer must maintain an unsecured or issuer rating equivalent to A- or better as determined by at least two (2) rating agencies, one of which must be either Standard & Poor's or Moody's; and
 - iii. Issuer must have total asset value of at least thirty billion dollars (\$30,000,000,000.00)
- c. Prepayment arrangement
- d. Other form of credit support security acceptable to Transmission Provider

To the extent any of the credit support security expires prior to the transmission service agreement expiration date, the credit support security is required to be extended (with proof provided to Transmission Provider) not less than thirty (30) days prior to that expiration date of the credit support security for a period of at least three hundred and sixty (360) days. If a Transmission Customer fails to maintain or renew a letter of credit, Transmission Provider shall have the right to draw upon the entire undrawn portion of the letter of credit, without notice, and hold such cash as security. If the credit support security currently being used by a Transmission Customer is determined to no longer be considered acceptable after an annual or periodic credit review process, Transmission Provider will notify the Transmission Customer, who will be required to provide another form of credit support security within ten (10) days. The failure to maintain, renew, or provide substitute or additional credit support security when required will be considered a material breach of the transmission service agreement, may result in the forfeiture of any deposits made under the transmission service agreement.

If a Transmission Customer qualifies for credit based on the credit standing of a guarantor, letter of credit provider, or other form of credit support security with an explicit dollar limit set forth in such document, the credit limit assigned to the Transmission Customer will be limited by the dollar limit in credit support security provided, but not surpassing the dollar limits stated in Section B above.

All costs associated with meeting Transmission Provider's credit risk requirements, including any costs of obtaining and posting credit support security, are the responsibility of the Transmission Customer.

D. Notification of Changes in Creditworthiness or Payment Status and Ability to Post Additional Credit Support Security

If Transmission Provider determines there is a downgrade in the creditworthiness of a Transmission Customer or a Transmission Customer's guarantor, or in the event that a Transmission Customer is determined to be in Default Payment Status (defaults during the term of a transmission service agreement, or permanently defaults on a transmission service agreement), Transmission Provider will notify the Transmission Customer in writing. Such notification will include an explanation of the downgrade and new or additional credit support security requirements. Should Transmission Provider require the Transmission Customer to post new or additional credit support security, the Transmission Customer must post credit support security in an amount determined by Transmission Provider within five (5) business days of receipt of a written notification from Transmission Provider of a change in the creditworthiness of the Transmission Customer or Transmission Customer's guarantor. If the Transmission Customer is determined to be in Default Payment Status, Transmission Provider will require additional credit support security to be provided for the remaining term of the transmission service agreement. This security also will apply to any guarantor or affiliate of the Transmission Customer, and to any successor or assignee of the Transmission Customer's transmission service agreement. Additionally, if the Transmission Customer is determined to be in default in accordance with the provisions of Transmission Provider's Tariff, Transmission Provider reserves the right to take any and all actions provided for under its Tariff.

E. Contesting Credit Determinations

The Transmission Customer has the opportunity to contest Transmission Provider's determination of Transmission Customer's creditworthiness or credit support security requirements in accordance with the dispute resolution procedure outlined within the Tariff. The Transmission Customer must still provide any required credit security support requirements, within the indicated time periods, as stated in the Tariff, while the review and response is in process.

F. Transmission Customer Default

If a Transmission Customer defaults in the performance of its obligations under the Tariff, Transmission Provider shall have the unconditional right to: (a) off-set all of the Transmission Customer's obligations under the Tariff against any credit support security

held by Transmission Provider to secure the Transmission Customer's obligations; and (b) withhold payment of any obligation owed by Transmission Provider to the Transmission Customer regardless of how such obligation shall have arisen.

Transmission Provider's right to withhold payment shall extend up to, and include, an amount equal to the sum of all obligations owed by Transmission Customer to Transmission Provider under any transmission service agreements and shall include the unconditional right to off-set such amount owed to the Transmission Customer against any obligation(s) due from the Transmission Customer to Transmission Provider.

Transmission Provider shall provide the Transmission Customer with written notification of any off-set pursuant to this paragraph.

If a Transmission Customer that is party to a transmission service agreement fails to provide any credit support security as set forth herein, including fails to maintain, renew, or provide substitute or additional credit support security when required, Transmission Provider may refuse, without notice, to accept that Transmission Customer's transmission service schedule(s) or transmission service reservation(s) on Transmission Provider's OASIS until such time as that Transmission Customer provides Transmission Provider with credit support security that satisfies the requirements of this Attachment L and is otherwise acceptable to Transmission Provider.

ATTACHMENT M

Loss Factors

Real Power Losses shall be assessed as follows:

1. If, based on operating experience and technical studies, the Transmission Provider determines that any of the transmission loss factors on the Transmission Provider's Transmission System differs from the loss factors set forth in this Attachment, the Transmission Provider may revise charges or losses for Transmission Service provided upon written notice to the Transmission Customer.
2. For Long-Term Firm Point-To-Point Transmission Service, Transmission Provider transmission losses shall initially be 4.5% and shall be assessed on the power scheduled and transmitted to a point of delivery on the Transmission Provider's Transmission System.
3. For Non-Firm Point-To-Point Transmission Service, Transmission Provider transmission losses shall initially be 4.5% and shall be assessed on the power scheduled and transmitted to a point of delivery on the Transmission Provider's Transmission System.
4. For deliveries to Network Customer Network Load, Transmission Provider transmission losses shall initially be 4.5% and shall be assessed on the power scheduled and transmitted to a point of delivery on the Transmission Provider's Transmission System.

ATTACHMENT N

Application Processing Fee

The application processing fee is \$3,500.

ATTACHMENT O

**Standard Large Generator
Interconnection Procedures (LGIP)**

(Applicable to Generating Facilities that exceed 20 MW)

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Appendix 7 – Interconnection Procedures for a Wind Generating Plant

Section 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity. A cooperative's members are not considered Affiliates for purposes of this Tariff.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the Regional Entity, as defined by Section 215 of the Federal Power Act, applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades, and/or planned Interconnection Facilities and Network Upgrades not yet in service upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for Re-Studies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or

Network Upgrades and/or costs and timing. Contingent Facilities are identified in Appendix A of the Standard Large Generator Interconnection Agreement.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by NERC.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause

a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Generator Interconnection Agreement (GIA) shall mean Transmission Provider's Generator Interconnection Agreement prior to the effective date of the Standard Large Generator Interconnection Agreement (LGIA).

Generator Interconnection Procedures (GIP) shall mean Transmission Provider's Generator Interconnection Procedures prior to the effective date of the Standard Large Generator Interconnection Procedures (LGIP).

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility

Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Corporation or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that

is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Permissible Technological Advancement shall mean a technological advancement to the proposed Generating Facility that does not increase the Interconnection Customer's requested Interconnection Service level, materially impact the Transmission System's short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response, or trigger the Material Modification provisions in the LGIP. A Permissible Technological Advancement cannot degrade the electrical characteristics of

the generating equipment (e.g., the ratings, impedances efficiencies, capabilities, and performance of the equipment under steady-state and dynamic conditions). A Permissible Technological Advancement may include a technological advancement to turbines, inverters, plant supervisory controls, or other technological advancement that may affect the Generating Facility's ability to provide ancillary services. A Permissible Technological Advancement does not include changes in generation project size or fuel type.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid Interconnection Request, or Surplus Interconnection Request as applicable, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

Surplus Generating Facility shall mean Surplus Interconnection Customer's device for the production and/or storage for later injection of electricity identified in a Surplus Interconnection Service Request, but shall not include Surplus Interconnection Customer's Interconnection Facilities.

Surplus Interconnection Customer shall mean an entity that proposes to interconnect its Generating Facility to utilize any unneeded portion of Interconnection Service, such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

Surplus Interconnection Service Impact Study shall mean an engineering study that evaluates the impact of the proposed Surplus Interconnection Service and Surplus Generating Facility on the safety and reliability of the Transmission System and, if applicable, any Affected Systems.

Surplus Interconnection Service Impact Study Agreement shall mean the form of agreement contained in Appendix 3A of the Standard Large Generator Interconnection Procedures for conducting the Surplus Interconnection Service Impact Study.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and

may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Section 2. Scope and Application

2.1 Application of Standard Large Generator Interconnection Procedures.

Sections 2 through 13 apply to processing an Interconnection Request pertaining to a Large Generating Facility.

2.2 Comparability.

Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this LGIP. Transmission Provider will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection

Customers, whether the Generating Facilities are owned by Transmission Provider, its subsidiaries or Affiliates or others.

2.3 Base Case Data.

Transmission Provider shall maintain base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list on either its OASIS site or a password-protected website, subject to confidentiality provisions in LGIP Section 13.1. In addition, Transmission Provider shall maintain network models and underlying assumptions on either its OASIS site or a password-protected website. Such network models and underlying assumptions should reasonably represent those used during the most recent interconnection study and be representative of current system conditions. If Transmission Provider posts this information on a password-protected website, a link to the information must be provided on Transmission Provider's OASIS site. Transmission Provider is permitted to require that Interconnection Customers, OASIS site users and password-protected website users sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (1) generation projects and (2) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to Transmission Service.

Nothing in this LGIP shall constitute a request for transmission service or confer upon an Interconnection Customer any right to receive transmission service.

Section 3. Interconnection Requests

3.1 General.

An Interconnection Customer shall submit to the Transmission Provider an Interconnection Request in the form of Appendix 1 to this LGIP and a refundable deposit of \$10,000. The Transmission Provider shall apply the deposit toward the cost of an Interconnection Feasibility Study.

Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

At Interconnection Customer's option, Transmission Provider and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at the Scoping Meeting to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point(s) of Interconnection to be studied no later than the execution of the Interconnection Feasibility Study Agreement.

Transmission Provider shall have a process in place to consider requests for Interconnection Service below the Generating Facility Capacity. These requests for Interconnection Service shall be studied at the level of Interconnection Service requested for purposes of Interconnection Facilities, Network Upgrades, and associated costs, but may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by the Interconnection Customer. If after the additional studies are complete, Transmission Provider determines that additional Network Upgrades are necessary, then Transmission Provider must: (1) specify which additional Network Upgrade costs are based on which studies; and (2) provide a detailed explanation of why the additional Network Upgrades are necessary. Any Interconnection Facility and/or Network Upgrade costs required for safety and reliability also will be borne by the Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of the executed, or requested to be filed unexecuted, LGIA.

3.2 Identification of Types of Interconnection Services.

At the time the Interconnection Request is submitted, Interconnection Customer must request either Energy Resource Interconnection Service or

Network Resource Interconnection Service, as described; provided, however, any Interconnection Customer requesting Network Resource Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service, up to the point when an Interconnection Facility Study Agreement is executed. Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower level of interconnection service to the extent that only certain upgrades will be completed.

3.2.1 Energy Resource Interconnection Service.

3.2.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. Energy Resource Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or Point of Delivery.

3.2.1.2 The Study. The study consists of short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The short circuit/fault duty analysis would identify direct Interconnection Facilities required and the Network Upgrades necessary to address short circuit issues associated with the Interconnection Facilities. The stability and steady state studies would identify necessary upgrades to allow full output of the proposed Large Generating Facility and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Large Generating Facility without requiring additional Network Upgrades.

3.2.2 Network Resource Interconnection Service.

3.2.2.1 The Product. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur.

3.2.2.2 The Study. The Interconnection Study for Network Resource Interconnection Service shall assure that Interconnection Customer's Large Generating Facility meets the requirements for Network Resource Interconnection Service and as a general matter, that such Large Generating Facility's interconnection is also studied with Transmission Provider's Transmission System at peak load, under a variety of severely stressed conditions, to determine whether, with the Large Generating Facility at full output, the aggregate of generation in the local area can be delivered to the aggregate of load on Transmission Provider's Transmission System, consistent with Transmission Provider's reliability criteria and procedures. This approach assumes that some portion of existing Network Resources are displaced by the output of Interconnection Customer's Large Generating Facility. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to

any specific customer or Point of Delivery. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.3 Utilization of Surplus Interconnection Service.

An Interconnection Customer with an effective GIA or LGIA may make Surplus Interconnection Service available at the existing Point of Interconnection for its Large Generating Facility using the process outlined in this Section 3.3. The Interconnection Customer with an effective GIA or LGIA or one of its Affiliates shall have priority to utilize Surplus Interconnection Service. If an Interconnection Customer with an effective GIA or LGIA or one of its Affiliates does not exercise its priority, then an Interconnection Customer with an effective GIA or LGIA may make the service available to other potential Interconnection Customers.

3.3.1 Initiating a Request for Surplus Interconnection Service.

3.3.1.1 If an Interconnection Customer with an effective GIA or LGIA wants to make Surplus Interconnection Service available, it shall submit a “Notice of Available Surplus Interconnection Service” in the form of Appendix 1A to the LGIP to the Transmission Provider.

3.3.1.2 A Surplus Interconnection Customer shall submit to Transmission Provider a request for Surplus Interconnection Service (“Surplus Interconnection Service Request”) in the form of Appendix 1B to the LGIP. The Surplus Interconnection Customer shall also submit to the Transmission Provider a refundable deposit of \$10,000. The Transmission Provider shall apply the deposit toward the cost of the Surplus Interconnection Service Impact Study.

3.3.1.3 The Transmission Provider may request any additional information necessary to evaluate the Surplus Interconnection Service Request.

3.3.2 Acknowledgement of Surplus Interconnection Service Request.

Transmission Provider shall acknowledge receipt of the Surplus Interconnection Service Request within five (5) Business Days of receipt of the Surplus Interconnection Service Request.

3.3.3 Deficiencies in Surplus Interconnection Service Request.

A Surplus Interconnection Service Request will not be considered to be a valid request until all items in Section 3.3.1 have been received by the Transmission Provider. If a Surplus Interconnection Service Request fails to meet the requirements set forth in Section 3.3.1, Transmission Provider shall notify the Surplus Interconnection Customer within five (5) Business Days of receipt of the deficient Surplus Interconnection Service Request and identify the reasons for such deficiency. The Surplus Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice. Failure by the Surplus Interconnection Customer to comply with this Section 3.3.3 or any of the other requirements of this LGIP will result in a withdrawal of the Surplus Interconnection Service Request upon which Transmission Provider shall (i), if applicable, update the OASIS Surplus Interconnection Service Queue Position posting and (ii) refund Surplus Interconnection Customer's deposit, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

3.3.4 Surplus Interconnection Service Queue.

Upon receipt of a valid Surplus Interconnection Service Request, the Transmission Provider shall assign a Surplus Interconnection Service Queue Position based upon the date and time of receipt of the request. The Surplus Interconnection Service Queue Position will be used to determine the order of performing the Surplus Interconnection Service Impact Study. A higher queued Surplus Interconnection Service Request is one that has been placed "earlier" in the queue in

relation to another Surplus Interconnection Service Request that is lower queued.

3.3.5 Surplus Interconnection Service Study and Study Agreement.

3.3.5.1 Surplus Interconnection Service Impact Study Agreement.

Within five (5) Business Days following the receipt of a valid Surplus Interconnection Service Request, Transmission Provider shall provide to the Surplus Interconnection Customer a non-binding good faith estimate of the cost for completing the Surplus Interconnection Service Impact Study and tender a Surplus Interconnection Service Impact Study Agreement. The Surplus Interconnection Customer shall compensate Transmission Provider for the actual cost of the Surplus Interconnection Service Impact Study and Transmission Provider will draw on Surplus Interconnection Customer's deposit to perform the study. The Surplus Interconnection Customer shall deliver the executed Surplus Interconnection Service Impact Study Agreement to Transmission Provider together with the required technical data and any additional study deposit required no later than thirty (30) Calendar Days after its receipt. In the event that the deposit is not sufficient to cover the costs, Transmission Provider shall notify the Surplus Interconnection Customer of the estimated balance to complete the study. Surplus Interconnection Customer shall submit payment no later than ten (10) Business Days after receipt of invoice or written notice. After completion of the Surplus Interconnection System Impact Study any remaining deposit shall be refunded to Interconnection Customer with interest paid in accordance with Section 3.3.3.

3.3.5.2 Surplus Interconnection Service Impact Study.

3.3.5.2.1 Transmission Provider shall coordinate the Surplus Interconnection Service Impact Study with any Affected System that is affected by the Surplus Interconnection Request pursuant to Section 3.6.

3.3.5.2.2 The Surplus Interconnection Service Impact Study shall consist of reactive power, short circuit, stability analyses, and any other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. If the existing Interconnection Service was not studied under off-peak conditions, then off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original system impact study is not available for the Surplus Interconnection Service Impact Study or no longer valid, both off-peak and peak analysis may need to be performed for the existing Large Generating Facility associated with the request for Surplus Interconnection Service. The reactive power, short circuit, stability, and steady-state analyses for Surplus Interconnection Service will identify if any Network Upgrades are necessary. If any Network Upgrades are identified, Surplus Interconnection Service will not be granted and will result in a withdrawal of the Surplus

Interconnection Service Request. If modifications to the Transmission Provider's Interconnection Facilities are required to support the Surplus Interconnection Service Request, the Transmission Provider will use Reasonable Efforts to determine the scope of those modifications as well as preliminary, non-binding, good faith cost estimates.

The Transmission Provider will use Reasonable Efforts to complete the Surplus Interconnection Service Impact Study for a Surplus Interconnection Service Request and provide a draft Surplus Interconnection Service Impact Study to the Surplus Interconnection Customer within sixty (60) Calendar Days of Transmission Provider's execution of the Surplus Interconnection Service Impact Study Agreement. If Transmission Provider is unable to complete the Surplus Interconnection Service Impact Study and draft report within the time period, it shall notify the Surplus Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

Within ten (10) Business Days of providing a draft Surplus Interconnection Service Impact Study report to the Surplus Interconnection Customer, Transmission Provider shall schedule a

meeting with the Surplus Interconnection Customer at a mutually agreeable date to discuss the results of the draft Surplus Interconnection Service Impact Study. Within thirty (30) Calendar Days after this meeting, Transmission Provider shall tender the final Surplus Interconnection Service Impact Study report to the Surplus Interconnection Customer.

3.3.6 Surplus Interconnection Service Generator Interconnection Agreement (SISGIA)

3.3.6.1 Tender

Simultaneously with the delivery of the final Surplus Interconnection Service Impact Study report, Transmission Provider shall tender to the Surplus Interconnection Customer a draft SISGIA, together with draft appendices. Surplus Interconnection Customer shall complete the parts of the appendices identified by the Transmission Provider and return the completed draft appendices within thirty (30) Calendar Days.

3.3.6.2 Negotiation

Transmission Provider and the Surplus Interconnection Customer shall negotiate any disputed provisions of the appendices to the draft SISGIA for not more than sixty (60) Calendar Days after tender of the final Surplus Interconnection Service Impact Study report. Upon completion of negotiations, Transmission Provider shall tender a final SISGIA to Surplus Interconnection Customer. If Surplus Interconnection Customer determines that negotiations are at an impasse, it may pursue Dispute Resolution in accordance with Section 13.5.

3.3.6.3 Execution

Within fifteen (15) Business Days after receipt of the final SISGIA and appendices, Surplus Interconnection Customer and the original Interconnection Customer shall sign the SISGIA and return it to Transmission Provider along with security in the form of a deposit or Letter of Credit equal to the cost of the proposed Transmission Provider's Interconnection Facilities, if any, identified in the Surplus Interconnection Service Impact Study report. It is the responsibility of the Surplus Interconnection Customer to coordinate with and obtain the signature for the SISGIA of the original Interconnection Customer to the effective GIA or LGIA that made the Surplus Interconnection Service available.

3.3.6.4 Commencement of Interconnection Activities.

Upon execution of the final SISGIA by Transmission Provider, Transmission Provider, the original Interconnection Customer, and Surplus Interconnection Customer shall perform their respective obligations in accordance with the terms of the SISGIA.

3.3.7 Limitations to Surplus Interconnection Service.

3.3.7.1 An Interconnection Customer with an effective GIA or LGIA may use or transfer any Surplus Interconnection Service until the Large Generating Facility that is the subject of the GIA or LGIA permanently ceases commercial operations. Accordingly, a SISGIA automatically terminates simultaneously with the termination of the original GIA or LGIA from which the Surplus Interconnection Service originates, unless each of these conditions are satisfied:

3.3.7.1.1 The Surplus Generating Facility must have been studied by the Transmission

Provider for sole operation at the Point of Interconnection at the time of the interconnection of the Surplus Interconnection Customer.

3.3.7.1.2 The Interconnection Customer with the original GIA or LGIA must have agreed in the SISGIA that the Surplus Interconnection Customer may continue to operate at either its limited share of the original LGIA, as reflected in the Surplus Interconnection Service Agreement, or at any level below such limit upon the permanent cessation of commercial operations of the original Large Generating Facility.

Such continuation of Surplus Interconnection Service shall be limited to no more than one year after the date of permanent cessation of commercial operation of the original Large Generating Facility.

3.3.7.2 If the original GIA or LGIA is for Network Resource Interconnection Service, then any Surplus Interconnection Service associated with that GIA or LGIA at the same Point of Interconnection can be either for a Network Resource Interconnection Service or Energy Resource Interconnection Service. In contrast, if the original GIA or LGIA is for Energy Resource Interconnection Service, then any Surplus Interconnection Service associated with that GIA or LGIA at the same Point of Interconnection would also have to be for Energy Resource Interconnection Service.

3.4 Valid Interconnection Request.

3.4.1 Initiating an Interconnection Request.

To initiate an Interconnection Request, Interconnection Customer must submit all of the following: (i) a \$10,000 deposit, (ii) a completed application in the form of Appendix 1, and (iii) demonstration of Site Control or a posting of an additional deposit of \$10,000. Such deposits shall be applied toward any Interconnection Studies pursuant to the Interconnection Request. If Interconnection Customer demonstrates Site Control within the cure period specified in Section 3.4.3 after submitting its Interconnection Request, the additional deposit shall be refundable; otherwise, all such deposit(s), additional and initial, become non-refundable.

The expected In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no more than the process window for the regional expansion planning period (or in the absence of a regional planning process, the process window for Transmission Provider's expansion planning period) not to exceed seven years from the date the Interconnection Request is received by Transmission Provider, unless Interconnection Customer demonstrates that engineering, permitting and construction of the new Large Generating Facility or increase in capacity of the existing Generating Facility will take longer than the regional expansion planning period. The In-Service Date may succeed the date the Interconnection Request is received by Transmission Provider by a period up to ten years, or longer where Interconnection Customer and Transmission Provider agree, such agreement not to be unreasonably withheld.

3.4.2 Acknowledgment of Interconnection Request.

Transmission Provider shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.

3.4.3 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid request until all items in Section 3.4.1 have been received by Transmission Provider. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.1, Transmission Provider shall notify Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice. Failure by Interconnection Customer to comply with this Section 3.4.3 shall be treated in accordance with Section 3.7.

3.4.4 Scoping Meeting.

Within ten (10) Business Days after receipt of a valid Interconnection Request, Transmission Provider shall establish a date agreeable to Interconnection Customer for the Scoping Meeting, and such date shall be no later than thirty (30) Calendar Days from receipt of the valid Interconnection Request, unless otherwise mutually agreed upon by the Parties.

The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection. Transmission Provider and Interconnection Customer will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. Transmission Provider and Interconnection Customer will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer shall designate its Point of Interconnection, pursuant to

Section 6.1, and one or more available alternative Point(s) of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

3.5. OASIS Posting.

3.5.1

Transmission Provider will maintain on its OASIS a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected In-Service Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the type of Interconnection Service being requested; and (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an LGIA or requests that the Transmission Provider file an unexecuted LGIA with FERC. Before holding a Scoping Meeting with its Affiliate, Transmission Provider shall post on OASIS an advance notice of its intent to do so. Transmission Provider shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to Transmission Provider's OASIS site subsequent to the meeting between Interconnection Customer and Transmission Provider to discuss the applicable study results. Transmission Provider shall also post any known deviations in the Large Generating Facility's In-Service Date.

3.5.2 Requirement to Post Interconnection Study Metrics

Transmission Provider will maintain on its OASIS or its website summary statistics related to processing Interconnection Studies

pursuant to Interconnection Requests, updated quarterly. If Transmission Provider posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. For each calendar quarter, Transmission Providers must calculate and post the information detailed in sections 3.5.2.1 through 3.5.2.4.

3.5.2.1 Interconnection Feasibility Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Feasibility Studies completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Feasibility Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than forty-five (45) Calendar Days after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection Feasibility Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Interconnection Feasibility Studies where such Interconnection Requests had executed Interconnection Feasibility Study Agreements received by Transmission Provider more than forty-five (45) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Interconnection Feasibility Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the date when Transmission Provider received the executed Interconnection Feasibility Study Agreement to the date when Transmission Provider provided the completed Interconnection Feasibility Study to the Interconnection Customer,

(E) Percentage of Interconnection Feasibility Studies exceeding forty-five (45) Calendar Days to complete this reporting quarter, calculated as the sum of 3.5.2.1(B) plus 3.5.2.1(C) divided by the sum of 3.5.2.1(A) plus 3.5.2.1(C)).

3.5.2.2 Interconnection System Impact Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than ninety (90) Calendar Days after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection System Impact Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Interconnection System Impact Studies where such Interconnection Requests had executed Interconnection System Impact Study Agreements received by Transmission Provider more than ninety (90) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the date when Transmission Provider received the executed Interconnection System Impact Study Agreement to the date when Transmission Provider provided the completed Interconnection System Impact Study to the Interconnection Customer,

(E) Percentage of Interconnection System Impact Studies exceeding ninety (90) Calendar Days to complete this reporting quarter, calculated as the sum of 3.5.2.2(B) plus 3.5.2.2(C) divided by the sum of 3.5.2.2(A) plus 3.5.2.2(C)).

3.5.2.3 Interconnection Facilities Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed

within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than ninety (90) Calendar Days or one hundred eighty (180) Calendar Days, as applicable, after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection Facilities Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Service requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by Transmission Provider more than ninety (90) or one hundred eighty (180) Calendar Days, as applicable, before the reporting quarter end.

(D) Mean time (in days), for Interconnection Facilities Studies completed within Transmission Provider's coordinated region during the reporting quarter, calculated from the date when Transmission Provider received the executed Interconnection Facilities Study Agreement to the date when Transmission Provider provided the completed Interconnection Facilities Study to the Interconnection Customer,

(E) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of 3.5.2.3(B) plus 3.5.2.3(C) divided by the sum of 3.5.2.3(A) plus 3.5.2.3(C)).

3.5.2.4 Interconnection Service Requests Withdrawn from Interconnection Queue.

(A) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter,

(B) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of any interconnection studies or execution of any interconnection study agreements,

(C) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of an Interconnection System Impact Study,

(D) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of an Interconnection Facilities Study,

(E) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue after execution of a generator interconnection agreement or Interconnection Customer requests the filing of an unexecuted, new interconnection agreement,

(F) Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when Transmission Provider received the request to withdraw from the queue.

3.5.3

Transmission Provider is required to post on OASIS or its website the measures in paragraph 3.5.2.1(A) through paragraph 3.5.2.4(F) for each calendar quarter within 30 days of the end of the calendar quarter. Transmission Provider will keep the quarterly measures posted on OASIS or its website for three calendar years with the first required report to be in the first quarter of 2020. If Transmission Provider retains this information on its website, a link to the information must be provided on Transmission Provider's OASIS site.

3.5.4

In the event that any of the values calculated in paragraphs 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeds 25 percent for two consecutive calendar quarters, Transmission Provider will have to comply with the

measures below for the next four consecutive calendar quarters and must continue reporting this information until Transmission Provider reports four consecutive calendar quarters without the values calculated in 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeding 25 percent for two consecutive calendar quarters:

(i) Transmission Provider must submit a report to the Commission describing the reason for each study or group of clustered studies pursuant to an Interconnection Request that exceeded its deadline (i.e., 45, 90 or 180 days) for completion (excluding any allowance for Reasonable Efforts). Transmission Provider must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The report must be filed at the Commission within 45 days of the end of the calendar quarter.

(ii) Transmission Provider shall aggregate the total number of employee-hours and third party consultant hours expended towards interconnection studies within its coordinated region that quarter and post on OASIS or its website. If Transmission Provider posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. This information is to be posted within 30 days of the end of the calendar quarter.

3.6 Coordination with Affected Systems.

Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this LGIP. Transmission Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this LGIP. Interconnection Customer will cooperate with the Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

3.7 Withdrawal.

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Transmission Provider. In addition, if Interconnection Customer fails to adhere to all requirements of

this LGIP, except as provided in Section 13.5 (Disputes), Transmission Provider shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cures the deficiency or to notify Transmission Provider of its intent to pursue Dispute Resolution.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, Interconnection Customer's Interconnection Request is eliminated from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to Transmission Provider all costs that Transmission Provider prudently incurs with respect to that Interconnection Request prior to Transmission Provider's receipt of notice described above. Interconnection Customer must pay all monies due to Transmission Provider before it is allowed to obtain any Interconnection Study data or results.

Transmission Provider shall (i) update the OASIS Queue Position posting and (ii) refund to Interconnection Customer any portion of Interconnection Customer's deposit or study payments that exceeds the costs that Transmission Provider has incurred, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 13.1, shall provide, at Interconnection Customer's request, all information that Transmission Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.8 Identification of Contingent Facilities.

Transmission Provider shall identify the Contingent Facilities, pursuant to Section 3.8.1, to be provided to Interconnection Customer at the conclusion of the Interconnection System Impact Study and included in Interconnection Customer's LGIA. Transmission Provider shall also provide, upon request of the Interconnection Customer, the estimated cost and estimated in-service completion time of each identified Contingent Facility, and any associated

costs to the Interconnection Customer, when this information is readily available and not commercially sensitive.

3.8.1 Method for Identifying Contingent Facilities

Transmission Provider shall identify Contingent Facilities by examining the unbuilt interconnection facilities, network upgrades, and/or planned upgrades not yet in-service based on the following criteria:

- i. the unbuilt facility is necessary to make the Transmission Provider or any Affected System compliant with its planning criteria when the Interconnection Request's Large Generating Facility commences Trial Operation; and
- ii. the unbuilt facility has demonstrated a likelihood of construction with a planned in-service date prior to or that generally aligns with the Interconnection Request's Large Generating Facility's proposed In-Service Date; and
- iii. Transmission Provider will use engineering judgment based on Good Utility Practice to determine which facilities should be Contingent Facilities.

The total of all the facilities that satisfy each of the foregoing criteria shall be identified as Contingent Facilities and included in the Interconnection Customer's LGIA.

Section 4. Queue Position

4.1 General.

Transmission Provider shall assign a Queue Position based upon the date and time of receipt of the valid Interconnection Request; provided that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form, and Interconnection Customer provides such information in accordance with Section 3.4.3, then Transmission Provider shall assign Interconnection Customer a Queue Position based on the date the application form was originally filed. Moving a Point of

Interconnection shall result in a lowering of Queue Position if it is deemed a Material Modification under Section 4.4.3.

The Queue Position of each Interconnection Request will be used to determine the order of performing the Interconnection Studies and determination of cost responsibility for the facilities necessary to accommodate the Interconnection Request. A higher queued Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is lower queued.

Transmission Provider may allocate the cost of the common upgrades for clustered Interconnection Requests without regard to Queue Position.

4.2 Clustering.

At Transmission Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the Interconnection System Impact Study.

Clustering shall be implemented on the basis of Queue Position. If Transmission Provider elects to study Interconnection Requests using Clustering, all Interconnection Requests received within a period not to exceed one hundred and eighty (180) Calendar Days, hereinafter referred to as the "Queue Cluster Window" shall be studied together without regard to the nature of the underlying Interconnection Service, whether Energy Resource Interconnection Service or Network Resource Interconnection Service. The deadline for completing all Interconnection System Impact Studies for which an Interconnection System Impact Study Agreement has been executed during a Queue Cluster Window shall be in accordance with Section 7.4, for all Interconnection Requests assigned to the same Queue Cluster Window. Transmission Provider may study an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility.

Clustering Interconnection System Impact Studies shall be conducted in such a manner to ensure the efficient implementation of the applicable regional

transmission expansion plan in light of the Transmission System's capabilities at the time of each study.

The Queue Cluster Window shall have a fixed time interval based on fixed annual opening and closing dates. Any changes to the established Queue Cluster Window interval and opening or closing dates shall be announced with a posting on Transmission Provider's OASIS beginning at least one hundred and eighty (180) Calendar Days in advance of the change and continuing thereafter through the end date of the first Queue Cluster Window that is to be modified.

4.3 Transferability of Queue Position.

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change.

4.4 Modifications.

Interconnection Customer shall submit to Transmission Provider, in writing, modifications to any information provided in the Interconnection Request. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, 4.4.2 or 4.4.5, or are determined not to be Material Modifications pursuant to Section 4.4.3.

Notwithstanding the above, during the course of the Interconnection Studies, either Interconnection Customer or Transmission Provider may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to Transmission Provider and Interconnection Customer, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Section 6.4, Section 7.6 and Section 8.5 as applicable and Interconnection Customer shall retain its Queue Position.

- 4.4.1** Prior to the return of the executed Interconnection System Impact Study Agreement to Transmission Provider, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed project, through either (1) a decrease in plant size or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying Transmission Provider-approved injection-limiting equipment; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration.

For plant increases, the incremental increase in plant output will go to the end of the queue for the purposes of cost allocation and study analysis.

- 4.4.2** Prior to the return of the executed Interconnection Facility Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: (a) additional 15 percent decrease of electrical output (MW) of the proposed project through either (1) a decrease in plant size (MW) or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying Transmission Provider-approved injection-limiting equipment; (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer; and (c) a Permissible Technological Advancement for the Large Generating Facility after the submission of the Interconnection Request. Section 4.4.6 specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether the Interconnection Customer's proposed technological advancement under Section 4.4.2(c) is a Material Modification. Section 1 contains a definition of Permissible Technological Advancement.

- 4.4.3** Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.5, Interconnection Customer may first request that Transmission Provider evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, Transmission Provider shall evaluate the proposed modifications prior to making them and inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under Sections 4.4.1, 6.1, 7.2, or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.
- 4.4.4** Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4, the Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but in no event shall the Transmission Provider commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost.
- 4.4.5** Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing.
- 4.4.6 Technological Change Procedures**
An Interconnection Customer that seeks to incorporate a proposed technological advancement into its Generating Facility must submit a Technological Advancement Request, in the form of Attachment B to Appendix 1 of this LGIP, to the Transmission Provider prior to the return of a signed Interconnection Facilities Study Agreement to the Transmission Provider. The Technological Advancement Request must include a description of the proposed technological advancement and provide all details, model data, and analysis necessary to

demonstrate to the Transmission Provider that the proposed technological advancement results in electrical performance that is equal to or better than the electrical performance expected prior to the technological change and it is a Permissible Technological Advancement. The Interconnection Customer must also submit updates to the original Generating Facility Data included in the Interconnection Request that reflect the proposed technological advancement. In assessing such a request, the Transmission Provider must determine whether or not the proposed technological advancement is a Material Modification.

If Transmission Provider determines additional studies are necessary for the Transmission Provider to complete the necessary assessment of whether the proposed technological advancement results in equal or better electrical performance and is a Permissible Technological Advancement, Transmission Provider will notify Interconnection Customer and indicate what information the Interconnection Customer must provide for the additional studies. The Interconnection Customer will be responsible for any costs associated with any additional studies.

As a practical matter, the Transmission Provider's assessment of whether a proposed technological advancement is a Permissible Technological Advancement or is a Material Modification will likely add to the time needed to complete the original Interconnection System Impact Study or any necessary re-study. The Transmission Provider will use Reasonable Efforts to complete its assessment and any additional studies as soon as practicable, but no later than forty-five (45) Calendar Days after the Interconnection Customer submits a Technological Advancement Request to the Transmission Provider. Transmission Provider will notify the Interconnection Customer of the results of its assessment and any studies and, if determined to be a Material Modification, explain why the proposed technological advancement is a Material Modification.

Section 5. Procedures for Interconnection Requests Submitted Prior to Effective Date of Standard Large Generator Interconnection Procedures

5.1 Queue Position for Pending Requests.

5.1.1 Any Interconnection Customer assigned a Queue Position prior to the effective date of this LGIP shall retain that Queue Position with the exceptions discussed below:

5.1.1.1 If an Interconnection Study Agreement has not been executed as of the effective date of this LGIP, then such Interconnection Study, and any subsequent Interconnection Studies, shall be processed in accordance with this LGIP.

5.1.1.2 If an Interconnection Study Agreement has been executed prior to the effective date of this LGIP, such Interconnection Study shall be completed in accordance with the terms of such agreement. With respect to any remaining studies for which an Interconnection Customer has not signed an Interconnection Study Agreement prior to the effective date of the LGIP, the Interconnection Customer must go forward with the completion of the necessary Interconnection Studies (for which it does not have a signed Interconnection Studies Agreement) in accordance with this LGIP.

5.1.1.3 If a GIA has been executed before the effective date of the LGIP, then the GIA would be grandfathered.

5.1.2 Transition Period.

To the extent necessary, Transmission Provider and Interconnection Customers with an outstanding request (i.e., an Interconnection Request for which an LGIA has not been submitted to FERC for approval as of the effective date of this LGIP) shall transition to this LGIP within a reasonable period of time not to exceed sixty (60) Calendar Days. The use of the term "outstanding request" herein shall mean any Interconnection Request, on the effective date of this LGIP:

(i) that has been submitted but not yet accepted by Transmission Provider; (ii) where the related interconnection agreement has not yet been submitted to FERC for approval in executed or unexecuted form, (iii) where the relevant Interconnection Study Agreements have not yet been executed, or (iv) where any of the relevant Interconnection Studies are in process but not yet completed. Any Interconnection Customer with an outstanding request as of the effective date of this LGIP may request a reasonable extension of any deadline, otherwise applicable, if necessary to avoid undue hardship or prejudice to its Interconnection Request. A reasonable extension shall be granted by Transmission Provider to the extent consistent with the intent and process provided for under this LGIP.

5.2 New Transmission Provider.

If Transmission Provider transfers control of its Transmission System to a successor Transmission Provider during the period when an Interconnection Request is pending, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this LGIP shall be paid by or refunded to the Interconnection Customer, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If Transmission Provider has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not either executed the LGIA or requested the filing of an unexecuted LGIA with FERC, unless otherwise provided, Interconnection Customer must complete negotiations with the successor Transmission Provider.

5.3 Type of Interconnection Services.

5.3.1 Any Interconnection Customer that submitted an Interconnection Request to be studied as a Network Resource under the previous Generator Interconnection Procedures will be deemed to have

requested Network Resource Interconnection Service in accordance with this LGIP.

5.3.2 Any Interconnection Customer that submitted an Interconnection Request to be studied as a non-Network Resource under the previous Generator Interconnection Procedures will be deemed to have requested Energy Resource Interconnection Service in accordance with this LGIP.

Section 6. Interconnection Feasibility Study

6.1 Interconnection Feasibility Study Agreement.

Simultaneously with the acknowledgement of a valid Interconnection Request Transmission Provider shall provide to Interconnection Customer an Interconnection Feasibility Study Agreement in the form of Appendix 2. The Interconnection Feasibility Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Interconnection Feasibility Study. Within five (5) Business Days following the Scoping Meeting Interconnection Customer shall specify for inclusion in the attachment to the Interconnection Feasibility Study Agreement the Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection. Within five (5) Business Days following the Transmission Provider's receipt of such designation, Transmission Provider shall tender to Interconnection Customer the Interconnection Feasibility Study Agreement signed by Transmission Provider, which includes a good faith estimate of the cost for completing the Interconnection Feasibility Study. Interconnection Customer shall execute and deliver to Transmission Provider the Interconnection Feasibility Study Agreement along with a \$10,000 deposit no later than thirty (30) Calendar Days after its receipt.

On or before the return of the executed Interconnection Feasibility Study Agreement to Transmission Provider, Interconnection Customer shall provide the technical data called for in Appendix 1, Attachment A.

If the Interconnection Feasibility Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and Re-studies shall be completed pursuant to Section 6.4 as applicable. For the purpose of this Section 6.1, if Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.4.4, shall be the substitute.

If Interconnection Customer and Transmission Provider agree to forgo the Interconnection Feasibility Study, Transmission Provider will initiate an Interconnection System Impact Study under Section 7 of this LGIP and apply the \$10,000 deposit towards the Interconnection System Impact Study.

6.2 Scope of Interconnection Feasibility Study.

The Interconnection Feasibility Study shall preliminarily evaluate the feasibility of the proposed interconnection to the Transmission System.

The Interconnection Feasibility Study will consider the Base Case as well as all generating facilities (and with respect to (iii), any identified Network Upgrades) that, on the date the Interconnection Feasibility Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC. The Interconnection Feasibility Study will consist of a power flow and short circuit analysis. The Interconnection Feasibility Study will provide a list of facilities and a nonbinding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

6.3 Interconnection Feasibility Study Procedures.

Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection Feasibility Study no later than forty-five (45) Calendar Days after Transmission Provider receives the fully executed Interconnection Feasibility Study Agreement. At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Feasibility Study, the Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Feasibility Study. If Transmission Provider is unable to complete the Interconnection Feasibility Study within that time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Interconnection Feasibility Study, subject to confidentiality arrangements consistent with Section 13.1.

Transmission Provider shall study the Interconnection Request at the level of service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

6.3.1 Meeting with Transmission Provider.

Within ten (10) Business Days of providing an Interconnection Feasibility Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Feasibility Study.

6.4 Re-Study.

If Re-Study of the Interconnection Feasibility Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, or re-designation of the Point of Interconnection pursuant to Section 6.1 Transmission Provider shall notify Interconnection Customer in writing. Such Re-Study shall take not

longer than forty-five (45) Calendar Days from the date of the notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Section 7. Interconnection System Impact Study

7.1 Interconnection System Impact Study Agreement.

Unless otherwise agreed, pursuant to the Scoping Meeting provided in Section 3.4.4, simultaneously with the delivery of the Interconnection Feasibility Study to Interconnection Customer, Transmission Provider shall provide to Interconnection Customer an Interconnection System Impact Study Agreement in the form of Appendix 3 to this LGIP. The Interconnection System Impact Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection System Impact Study. Within three (3) Business Days following the Interconnection Feasibility Study results meeting, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection System Impact Study.

7.2 Execution of Interconnection System Impact Study Agreement.

Interconnection Customer shall execute the Interconnection System Impact Study Agreement and deliver the executed Interconnection System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt along with demonstration of Site Control, and a \$50,000 deposit.

If Interconnection Customer does not provide all such technical data when it delivers the Interconnection System Impact Study Agreement, Transmission Provider shall notify Interconnection Customer of the deficiency within five (5) Business Days of the receipt of the executed Interconnection System Impact Study Agreement and Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Interconnection System Impact Study Agreement or deposit.

If the Interconnection System Impact Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting and the Interconnection Feasibility Study, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and restudies shall be completed pursuant to Section 7.6 as applicable. For the purpose of this Section 7.2, if Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.4.4, shall be the substitute.

Transmission Provider shall study the Interconnection Request at the level of service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

7.3 Scope of Interconnection System Impact Study.

The Interconnection System Impact Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The Interconnection System Impact Study will consider the Base Case as well as all generating facilities (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Interconnection System Impact Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC.

The Interconnection System Impact Study will consist of a short circuit analysis, a stability analysis, and a power flow analysis. The Interconnection System Impact Study will state the assumptions upon which it is based; state

the results of the analyses; and provide the requirements or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. For purposes of determining necessary Interconnection Facilities and Network Upgrades, the System Impact Study shall consider the level of Interconnection Service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns. The Interconnection System Impact Study will provide a list of facilities that are required as a result of the Interconnection Request and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

7.4 Interconnection System Impact Study Procedures

Transmission Provider shall coordinate the Interconnection System Impact Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.6 above. Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within ninety (90) Calendar Days after the receipt of the Interconnection System Impact Study Agreement or notification to proceed, study payment, and technical data. If Transmission Provider uses Clustering, Transmission Provider shall use Reasonable Efforts to deliver a completed Interconnection System Impact Study within ninety (90) Calendar Days after the close of the Queue Cluster Window.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection System Impact Study. If Transmission Provider is unable to complete the Interconnection System Impact Study within the time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection

Request and post-Interconnection Request power flow, short circuit and stability databases for the Interconnection System Impact Study, subject to confidentiality arrangements consistent with Section 13.1.

7.5 Meeting with Transmission Provider.

Within ten (10) Business Days of providing an Interconnection System Impact Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection System Impact Study.

7.6 Re-Study.

If Re-Study of the Interconnection System Impact Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, or re-designation of the Point of Interconnection pursuant to Section 7.2 Transmission Provider shall notify Interconnection Customer in writing. Such Re-Study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Section 8. Interconnection Facilities Study.

8.1 Interconnection Facilities Study Agreement.

Simultaneously with the delivery of the Interconnection System Impact Study to Interconnection Customer, Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to this LGIP. The Interconnection Facilities Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Within three (3) Business Days following the Interconnection System Impact Study results meeting, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study. Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to Transmission Provider within thirty (30) Calendar Days after its receipt, together with the required technical data and the greater of

\$100,000 or Interconnection Customer's portion of the estimated monthly cost of conducting the Interconnection Facilities Study.

8.1.1 Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

8.2 Scope of Interconnection Facilities Study.

The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facility to the Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Transmission Provider's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Facilities Study will also identify any potential control equipment for requests for Interconnection Service that are lower than the Generating Facility Capacity.

8.3 Interconnection Facilities Study Procedures.

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.6 above. Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days, with no more than a +/- 20 percent cost estimate contained in the report; or one hundred eighty (180) Calendar Days, if the Interconnection Customer requests a +/- 10 percent cost estimate.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Facilities Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If Transmission Provider is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study report within the time required, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer may, within thirty (30) Calendar Days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1.

8.4 Meeting with Transmission Provider.

Within ten (10) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

8.5 Re-Study.

If Re-Study of the Interconnection Facilities Study is required due to a higher queued project dropping out of the queue or a modification of a higher queued project pursuant to Section 4.4, Transmission Provider shall so notify Interconnection Customer in writing. Such Re-Study shall take no longer

than sixty (60) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Section 9. Engineering & Procurement ('E&P') Agreement.

Prior to executing an LGIA, an Interconnection Customer may, in order to advance the implementation of its interconnection, request and Transmission Provider shall offer the Interconnection Customer, an E&P Agreement that authorizes Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, Transmission Provider shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the LGIP. The E&P Agreement is an optional procedure and it will not alter the Interconnection Customer's Queue Position or In-Service Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer and to make advance payments or provide other satisfactory security for such costs.

Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Interconnection Customer withdraws its application for interconnection or either Party terminates the E&P Agreement, to the extent the equipment ordered can be canceled under reasonable terms, Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, Transmission Provider may elect: (i) to take title to the equipment, in which event Transmission Provider shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

Section 10. Optional Interconnection Study

10.1 Optional Interconnection Study Agreement.

On or after the date when Interconnection Customer receives Interconnection System Impact Study results, the Interconnection Customer may request, and Transmission Provider shall perform a reasonable number of Optional Studies. The request shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Section 10.2. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study, Transmission Provider shall provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 5.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case and assumptions as to the type of interconnection service for Interconnection Requests remaining in the Optional Interconnection Study case, and (iii) Transmission Provider's estimate of the cost of the Optional Interconnection Study. To the extent known by Transmission Provider, such estimate shall include any costs expected to be incurred by any Affected System whose participation is necessary to complete the Optional Interconnection Study. Notwithstanding the above, Transmission Provider shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the technical data and a \$10,000 deposit to Transmission Provider.

10.2 Scope of Optional Interconnection Study.

The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement. The Optional Interconnection

Study will also identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the results of the Optional Interconnection Study. The Optional Interconnection Study shall be performed solely for informational purposes. Transmission Provider shall use Reasonable Efforts to coordinate the study with any Affected Systems that may be affected by the types of Interconnection Services that are being studied. Transmission Provider shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.

10.3 Optional Interconnection Study Procedures.

The executed Optional Interconnection Study Agreement, the prepayment, and technical and other data called for therein must be provided to Transmission Provider within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study Agreement. Transmission Provider shall use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed upon time period specified within the Optional Interconnection Study Agreement. If Transmission Provider is unable to complete the Optional Interconnection Study within such time period, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. Any difference between the study payment and the actual cost of the study shall be paid to Transmission Provider or refunded to Interconnection Customer, as appropriate. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1.

Section 11. Standard Large Generator Interconnection Agreement (LGIA)

11.1 Tender.

Interconnection Customer shall tender comments on the draft Interconnection Facilities Study Report within thirty (30) Calendar Days of receipt of the report. Within thirty (30) Calendar Days after the comments

are submitted, Transmission Provider shall tender a draft LGIA, together with draft appendices. The draft LGIA shall be in the form of Transmission Provider's FERC-approved standard form LGIA, which is in Appendix 6. Interconnection Customer shall execute and return the completed draft appendices within thirty (30) Calendar Days.

11.2 Negotiation.

Notwithstanding Section 11.1, at the request of Interconnection Customer Transmission Provider shall begin negotiations with Interconnection Customer concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement. Transmission Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than sixty (60) Calendar Days after tender of the final Interconnection Facilities Study Report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to Section 11.1 and request submission of the unexecuted LGIA with FERC or initiate Dispute Resolution procedures pursuant to Section 13.5. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request either the filing of the unexecuted LGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if the Interconnection Customer has not executed the LGIA, requested filing of an unexecuted LGIA, or initiated Dispute Resolution procedures pursuant to Section 13.5 within sixty (60) Calendar Days of tender of draft LGIA, it shall be deemed to have withdrawn its Interconnection Request. Transmission Provider shall provide to Interconnection Customer a final LGIA within fifteen (15) Business Days after the completion of the negotiation process.

11.3 Execution and Filing.

Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Transmission Provider (A) reasonable evidence that continued Site Control or (B) posting of \$250,000, non-refundable additional security, which shall be applied toward future construction costs. At the same time, Interconnection Customer also shall

provide reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, at the Interconnection Customer election, has been achieved: (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract for the sale of electric energy or capacity from the Large Generating Facility; or (v) application for an air, water, or land use permit.

Interconnection Customer shall either: (i) execute two originals of the tendered LGIA and return them to Transmission Provider; or (ii) request in writing that Transmission Provider file with FERC an LGIA in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of the tendered LGIA (if it does not conform with a FERC-approved standard form of interconnection agreement) or the request to file an unexecuted LGIA, Transmission Provider shall file the LGIA with FERC, together with its explanation of any matters as to which Interconnection Customer and Transmission Provider disagree and support for the costs that Transmission Provider proposes to charge to Interconnection Customer under the LGIA. An unexecuted LGIA should contain terms and conditions deemed appropriate by Transmission Provider for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted LGIA, they may proceed pending FERC action.

11.4 Commencement of Interconnection Activities.

If Interconnection Customer executes the final LGIA, Transmission Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA, subject to modification by FERC. Upon submission of an unexecuted LGIA, Interconnection Customer and Transmission Provider shall promptly comply with the unexecuted LGIA, subject to modification by FERC.

Section 12. Construction of Transmission Provider's Interconnection Facilities and Network Upgrades

12.1 Schedule.

Transmission Provider and Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades.

12.2 Construction Sequencing.

12.2.1 General.

In general, the In-Service Date of an Interconnection Customers seeking interconnection to the Transmission System will determine the sequence of construction of Network Upgrades.

12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer.

An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Transmission System, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider: (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

Transmission Provider will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 11.4 of the LGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network

Upgrades that Transmission Provider has not refunded to the Interconnection Customer. Payment by that entity shall be due on the date that it would have been due had there been no request for advance construction. Transmission Provider shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. Transmission Provider then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 11.4 of the LGIA.

12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the Transmission Provider. An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of Transmission Provider, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider any associated expediting costs. Interconnection Customer shall be entitled to transmission credits, if any, for any expediting costs paid.

12.2.4 Amended Interconnection System Impact Study.

An Interconnection System Impact Study will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date.

Section 13. Miscellaneous

13.1 Confidentiality.

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs,

and pricing, and any information supplied by either of the Parties to the other prior to the execution of an LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

13.1.1 Scope.

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the LGIA; or (6) is required, in accordance with Section 13.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

13.1.2 Release of Confidential Information.

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1 and has agreed to comply with such provisions.

Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 13.1.

13.1.3 Rights.

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

13.1.4 No Warranties.

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

13.1.5 Standard of Care.

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely

to fulfill its obligations to the other Party under these procedures or its regulatory requirements.

13.1.6 Order of Disclosure.

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of the LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

13.1.7 Remedies.

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 13.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure to FERC, or its Staff, or a State.

Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 C.F.R. section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the LGIP, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

13.1.9 Subject to the exception in Section 13.1.8, any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this

subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

13.1.10 This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

13.1.11 Transmission Provider shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

13.2 Delegation of Responsibility.

Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIP. Transmission Provider shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this LGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 Obligation for Study Costs.

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies. Any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to beginning of any such future Interconnection Studies. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customer shall pay any such undisputed costs within thirty (30) Calendar

Days of receipt of an invoice therefor. Transmission Provider shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all undisputed amounts in compliance herewith.

13.4 Third Parties Conducting Studies.

If (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 6.3, 7.4 or 8.3 that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Sections 6.3, 7.4 or 8.3 within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require Transmission Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission Provider may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 26 of the LGIA (Subcontractors) and limited to situations where Transmission Provider determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with Transmission Provider's progress on Interconnection Studies for other pending Interconnection Requests. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Transmission Provider shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. Transmission Provider shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon Interconnection Customer's request subject to the

confidentiality provision in Section 13.1. In any case, such third party contract may be entered into with either Interconnection Customer or Transmission Provider at Transmission Provider's discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the LGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if Transmission Provider were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. Transmission Provider shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes.

13.5.1 Submission.

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIA, the LGIP, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

13.5.2 External Arbitration Procedures.

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13, the terms of this Section 13 shall prevail.

13.5.3 Arbitration Decisions.

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC

if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

13.5.4 Costs.

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

13.5.5 Non-binding dispute resolution procedures.

If a Party has submitted a Notice of Dispute pursuant to section 13.5.1, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that section, and the Parties cannot reach mutual agreement to pursue the section 13.5 arbitration process, a Party may request that Transmission Provider engage in Non-binding Dispute Resolution pursuant to this section by providing written notice to Transmission Provider (“Request for Non-binding Dispute Resolution”). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this section without first seeking mutual agreement to pursue the section 13.5 arbitration process. The process in section 13.5.5 shall serve as an alternative to, and not a replacement of, the section 13.5 arbitration process. Pursuant to this process, a Transmission Provider must within 30 days of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with either Party. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the LGIP and LGIA and shall have no power to modify or change any provision of the LGIP and LGIA in any

manner. The result reached in this process is not binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding dispute resolution process in future dispute resolution processes, including in a section 13.5 arbitration, or in a Federal Power Act section 206 complaint. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

13.6 Local Furnishing Bonds.

13.6.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds.

This provision is applicable only to a Transmission Provider that has financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this LGIA and LGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this LGIA and LGIP if the provision of such Interconnection Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Transmission Provider's facilities that would be used in providing such Interconnection Service.

13.6.2 Alternative Procedures for Requesting Interconnection Service.

If Transmission Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 5.2(ii) of the Transmission Provider's Tariff.

**APPENDIX 1 to LGIP
INTERCONNECTION REQUEST**

1. The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility with Transmission Provider's Transmission System pursuant to a Tariff.
2. This Interconnection Request is for (check one):
☐ A proposed new Large Generating Facility.
☐ An increase in the generating capacity or a Material Modification of an existing Generating Facility.
3. The type of interconnection service requested (check one):
☐ Energy Resource Interconnection Service
☐ Network Resource Interconnection Service
4. ☐ Check here only if Interconnection Customer requesting Network Resource Interconnection Service also seeks to have its Generating Facility studied for Energy Resource Interconnection Service
5. Interconnection Customer provides the following information:
 - a. Address or location or the proposed new Large Generating Facility site (to the extent known) or, in the case of an existing Generating Facility, the name and specific location of the existing Generating Facility;
 - b. Maximum summer at ____ degrees C and winter at ____ degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;
 - c. General description of the equipment configuration;
 - d. Commercial Operation Date (Day, Month, and Year);
 - e. Name, address, telephone number, and e-mail address of the Interconnection Customer's contact person;

- f. Approximate location of the proposed Point of Interconnection (optional);
and
 - g. Interconnection Customer Data (set forth in Attachment A) and
 - h. Primary frequency response operating range for electric storage resources.
 - i. Requested capacity (in MW) of Interconnection Service (if lower than the
Generating Facility Capacity).
6. Applicable deposit amount as specified in the LGIP.
7. Evidence of Site Control as specified in the LGIP (check one)
_____ Is attached to this Interconnection Request
_____ Will be provided at a later date in accordance with this LGIP
8. This Interconnection Request shall be submitted to the representative indicated
below:

[To be completed by Transmission Provider]

9. Representative of the Interconnection Customer to contact:
[To be completed by Interconnection Customer]

10. This Interconnection Request is submitted by:

Name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

**Attachment A (page 1) to Appendix 1
Interconnection Request**

LARGE GENERATING FACILITY DATA

UNIT RATINGS

kVA _____ °F _____ Voltage _____
 Power Factor _____
 Speed (RPM) _____ Connection (e.g. Wye) _____
 Short Circuit Ratio _____ Frequency, Hertz _____
 Stator Amperes at Rated kVA _____ Field Volts _____
 Max Turbine MW _____ °F _____

Primary frequency response operating range for electric storage sources:

Minimum State of Charge: _____

Maximum State of Charge: _____

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H = _____ kW sec/kVA
 Moment-of-Inertia, WR^2 = _____ lb. ft.²

REACTANCE DATA (PER UNIT-RATED KVA)

DIRECT AXIS QUADRATURE AXIS

Synchronous – saturated	Xdv _____	Xqv _____
Synchronous – unsaturated	Xdi _____	Xqi _____
Transient – saturated	XNdv _____	XNqv _____
Transient – unsaturated	XNdi _____	XNqi _____
Subtransient – saturated	XOdv _____	XOqv _____
Subtransient – unsaturated	XOdi _____	XOqi _____
Negative Sequence – saturated	X2v _____	
Negative Sequence – unsaturated	X2i _____	
Zero Sequence – saturated	X0v _____	
Zero Sequence – unsaturated	X0i _____	

Leakage Reactance X_{lm} _____

FIELD TIME CONSTANT DATA (SEC)

Open Circuit	TNdo	_____	TNqo	_____
Three-Phase Short Circuit Transient	TNd3	_____	TNq	_____
Line to Line Short Circuit Transient	TNd2	_____		
Line to Neutral Short Circuit Transient	TNd1	_____		
Short Circuit Subtransient	TOd	_____	TOq	_____
Open Circuit Subtransient	TOdo	_____	TOqo	_____

ARMATURE TIME CONSTANT DATA (SEC)

Three Phase Short Circuit	Ta3	_____
Line to Line Short Circuit	Ta2	_____
Line to Neutral Short Circuit	Ta1	_____

NOTE: If requested information is not applicable, indicate by marking "N/A."

**Attachment A (page 2) to Appendix 1
Interconnection Request**

**MW CAPABILITY AND PLANT CONFIGURATION LARGE
GENERATING FACILITY DATA**

ARMATURE WINDING RESISTANCE DATA (PER UNIT)

Positive	R1	_____
Negative	R2	_____
Zero	R0	_____

Rotor Short Time Thermal Capacity I_2^2t = _____

Field Current at Rated kVA, Armature Voltage and PF = _____ amps

Field Current at Rated kVA and Armature Voltage, 0 PF = _____ amps

Three Phase Armature Winding Capacitance = _____ microfarad

Field Winding Resistance = _____ ohms _____ °C

Armature Winding Resistance (Per Phase) = _____ ohms _____ °C

CURVES

Provide Saturation, Vee, Reactive Capability, Capacity Temperature Correction curves.
Designate normal and emergency Hydrogen Pressure operating range for multiple curves.

**Attachment A (page 3) To Appendix 1
Interconnection Request**

GENERATOR STEP-UP TRANSFORMER DATA RATINGS

Capacity Self-cooled/
 maximum nameplate
_____ / _____ kV

Voltage Ratio Generator side/System side
_____ / _____ kV

Winding Connections Low V/High V (Delta or Wye)
_____ / _____

Fixed Taps Available _____

Present Tap Setting _____

IMPEDANCE

Positive Z1 (on self-cooled kVA rating) _____ % _____ X/R

Zero Z0 (on self-cooled kVA rating) _____ % _____ X/R

**Attachment A (page 4) To Appendix 1
Interconnection Request**

EXCITATION SYSTEM DATA

Identify appropriate IEEE model block diagram of excitation system and power system stabilizer (PSS) for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.

GOVERNOR SYSTEM DATA

Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.

WIND GENERATORS

Number of generators to be interconnected pursuant to this Interconnection Request:

Elevation: _____ Single Phase _____ Three Phase

Inverter manufacturer, model name, number, and version:

List of adjustable setpoints for the protective equipment or software:

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

**Attachment A (page 5) To Appendix 1
Interconnection Request**

INDUCTION GENERATORS:

- (*) Field Volts: _____
- (*) Field Amperes: _____
- (*) Motoring Power (kW): _____
- (*) Neutral Grounding Resistor (If Applicable): _____
- (*) I^2t or K (Heating Time Constant): _____
- (*) Rotor Resistance: _____
- (*) Stator Resistance: _____
- (*) Stator Reactance: _____
- (*) Rotor Reactance: _____
- (*) Magnetizing Reactance: _____
- (*) Short Circuit Reactance: _____
- (*) Exciting Current: _____
- (*) Temperature Rise: _____
- (*) Frame Size: _____
- (*) Design Letter: _____
- (*) Reactive Power Required In Vars (No Load): _____
- (*) Reactive Power Required In Vars (Full Load): _____
- (*) Total Rotating Inertia, H: _____ Per Unit on KVA Base

Note: Please consult Transmission Provider prior to submitting the Interconnection Request to determine if the information designated by (*) is required.

**Attachment B to Appendix 1
Interconnection Request**

**GENERATING FACILITY DATA
Technological Advancement Request Form**

1. **Description** - Describe the requested technological advancement to the proposed Generating Facility.
2. **Required Information** - Provide all details, model data, and analysis as determined by Transmission Provider necessary to demonstrate that the proposed technological advancement would result in electrical performance that is equal to or better than the electrical performance expected prior to the proposed technological advancement and that the proposed technical advancement is a Permissible Technological Advancement.
3. **Updated Information** - Provide redlined updates reflecting the proposed technological advancement to the Generating Facility Data (Attachment(s) A to Appendix 1, as appropriate) included in the Interconnection Request.

APPENDIX 1A to LGIP
NOTICE OF AVAILABLE SURPLUS INTERCONNECTION SERVICE

1. The undersigned Interconnection Customer with an effective GIA or LGIA submits this notice to make Surplus Interconnection Service available at the existing Point of Interconnection for its Generating Facility.
2. This Surplus Interconnection Service is intended to be utilized by:

 ___ The Interconnection Customer with an effective GIA or LGIA.
 ___ An Affiliate of the Interconnection Customer with an effective GIA or LGIA.
 ___ An unaffiliated potential Interconnection Customer.
3. Interconnection Customer with an effective GIA or LGIA provides the following information:
 - a. A copy of the effective GIA or LGIA associated with the existing Interconnection Service;
 - b. The amount of Surplus Interconnection Service to be made available, in MW;
 - c. The period(s) of time when Surplus Interconnection Service will be available; and
 - d. The conditions under which Surplus Interconnection Service at the Point of Interconnection may be used;
4. This Notice of Available Surplus Interconnection Service, and any subsequent inquiries related to this Notice of Available Surplus Interconnection Service, shall be submitted to the representative indicated below:

If by mail or overnight delivery:

Tri-State Generation and Transmission Association, Inc.

Attn: Transmission Interconnection Administrator

1100 W. 116th Avenue

Westminster, Colorado 80234

5. This Notice of Available Surplus Interconnection Service is submitted by:

Name of Interconnection
Customer:

Title:

Address:

Telephone Number:

E-mail address:

Date:

APPENDIX 1B to LGIP
SURPLUS INTERCONNECTION SERVICE REQUEST

1. The undersigned Surplus Interconnection Customer submits this request to interconnect its Surplus Generating Facility to the Interconnection Facilities owned by the original Interconnection Customer offering the Surplus Interconnection Service pursuant to the Tariff.
2. Pursuant to the conditions in Section 3.3.7.2 of the LGIP, this Surplus Interconnection Service Request shall be studied as:

☐ Network Resource Interconnection Service.
☐ Energy Resource Interconnection Service.
3. Surplus Interconnection Customer provides the following information:
 - a. Address or location of the Surplus Generating Facility site (to the extent known);
 - b. The requested amount of Surplus Generating Capacity, in MW;
 - c. General description of the equipment configuration;
 - d. In-Service Date (Day, Month, and Year);
 - e. The proposed commercial operation date (Day, Month, and Year) of the Surplus Generating Facility;
 - f. Name, address, telephone number, and e-mail address of Surplus Interconnection Customer's contact person;
 - g. Point of Interconnection associated with the existing Interconnection Service and, if known, the initial Interconnection Request number;
 - h. Surplus Interconnection Customer Data (set forth in Attachment A), including a preliminary one-line diagram of the proposed Surplus Generating Facility showing how it will connect to the existing Interconnection Facilities owned by the Interconnection Customer making the Surplus Interconnection Service available;

- i. Primary frequency response operating range for electric storage resources; and
 - j. Evidence demonstrating that the original Interconnection Customer with the effective GIA or LGIA agrees with allowing the Surplus Interconnection Service Request to proceed.
4. A refundable deposit of \$10,000.
5. This Surplus Interconnection Service Request, and any subsequent inquiries related to this Surplus Interconnection Service Request, shall be submitted to the representative indicated below:

If by mail or overnight delivery:

Tri-State Generation and Transmission Association, Inc
Attn: Transmission Interconnection Administrator
1100 W. 116th Avenue
Westminster, Colorado 80234

6. Representative of Surplus Interconnection Customer to contact:
[To be completed by Interconnection Customer]

7. This Surplus Interconnection Request is submitted by:

Name of Surplus Interconnection
Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

APPENDIX 2 to LGIP INTERCONNECTION FEASIBILITY STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ existing under the laws of the State of _____, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection Feasibility Study to assess the feasibility of interconnecting the proposed Large Generating Facility to the Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection Feasibility Study consistent with Section 6.0 of this LGIP in accordance with the Tariff.
- 3.0 The scope of the Interconnection Feasibility Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Interconnection Feasibility Study shall be based on the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Feasibility Study and as designated in accordance with Section 3.4.4 of the LGIP. If, after the designation of the Point of Interconnection pursuant to Section 3.4.4 of the LGIP, Interconnection Customer modifies its Interconnection Request pursuant to Section 4.4, the time to complete the Interconnection Feasibility Study may be extended.

5.0 The Interconnection Feasibility Study report shall provide the following information:

- preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and
- preliminary description and non-bonding estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit and power flow issues.

6.0 Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Interconnection Feasibility Study.

Upon receipt of the Interconnection Feasibility Study Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Feasibility Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7.0 Miscellaneous. The Interconnection Feasibility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional

practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**Attachment A to Appendix 2
Interconnection Feasibility
Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION FEASIBILITY STUDY**

The Interconnection Feasibility Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on _____:

Designation of Point of Interconnection and configuration to be studied.
Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

APPENDIX 3 to LGIP INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ existing under the laws of the State of _____, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System;

WHEREAS, Transmission Provider has completed an Interconnection Feasibility Study (the "Feasibility Study") and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection System Impact Study to assess the impact of interconnecting the Large Generating Facility to the Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection System Impact Study consistent with Section 7.0 of this LGIP in accordance with the Tariff.

- 3.0 The scope of the Interconnection System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study and the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the LGIP. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Customer System Impact Study. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the Interconnection System Impact Study may be extended.
- 5.0 The Interconnection System Impact Study report shall provide the following information:
- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection and
 - description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.
- 6.0 Interconnection Customer shall provide a deposit of \$50,000 for the performance of the Interconnection System Impact Study. Transmission Provider's good faith estimate for the time of completion of the Interconnection System Impact Study is [insert date].

Upon receipt of the Interconnection System Impact Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7.0 Miscellaneous. The Interconnection System Impact Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.]

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By:_____By:_____

Title:_____Title:_____

Date:_____Date:_____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**Attachment A To Appendix 3
Interconnection System Impact
Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION SYSTEM IMPACT STUDY**

The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study, subject to any modifications in accordance with Section 4.4 of the LGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.
Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

APPENDIX 3A to LGIP

SURPLUS INTERCONNECTION SERVICE IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Surplus Interconnection Customer" or "SIC") and _____ a _____ existing under the laws of the State of _____, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Surplus Interconnection Customer is proposing to develop a Surplus Generating Facility ("SGF") consistent with the Surplus Interconnection Service Request No. (_____), _____ MW of Surplus Interconnection Service for the [Project Name];

WHEREAS, Surplus Interconnection Customer's Surplus Interconnection Service Request is associated with the original Interconnection Customer, [Company Name], with the effective Generator Interconnection Agreement, [Date], TSOA [Contract Number];

WHEREAS, the original Interconnection Customer has agreed to allow for the Surplus Interconnection Service Request to proceed; and

WHEREAS, Transmission Provider requires a Surplus Interconnection Service Impact Study (the "Service Impact Study" or "SIS") to assess the Surplus Interconnection Service on Transmission Provider's Transmission System and any Affected Systems.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.

2.0 Surplus Interconnection Customer elects and Transmission Provider shall cause to be performed a Service Impact Study consistent with Section 3.3.5.2 of this LGIP in accordance with the Tariff.

3.0 The scope of the Service Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Service Impact Study will be based upon the technical information provided by Surplus Interconnection Customer in the Surplus Interconnection Service Request. Transmission Provider reserves the right to request additional technical information from Surplus Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Service Impact Study. If Surplus Interconnection Customer modifies its Surplus Interconnection Service Request,

or the technical information provided therein is modified, the time to complete the Service Impact Study may be extended.

5.0 The Service Impact Study report shall: (i) address reactive power, short circuit, and stability issues identified in the Service Impact Study; (ii) steady-state (thermal/voltage) issues as necessary to ensure that all required reliability conditions are studied; and (iii) if Transmission Provider’s Interconnection Facilities are required to support the Surplus Interconnection Service Request, a description of the modification and non-binding, good faith cost estimate.

6.0 Surplus Interconnection Customer shall provide a refundable deposit of \$10,000 for the performance of the Service Impact Study. Transmission Provider’s good faith estimate for the time of completion of the Service Impact Study is [insert date].

Upon receipt of the Service Impact Study, Transmission Provider shall charge and Surplus Interconnection Customer shall pay the actual costs of the Service Impact Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Surplus Interconnection Customer, as appropriate.

7.0 Miscellaneous. The Surplus Interconnection Service Impact Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.]

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Surplus Interconnection Customer]

By: _____

Title: _____

Date: _____

**Attachment A To Appendix 3A
Service Impact Study Agreement**

ASSUMPTIONS USED IN CONDUCTING THE SERVICE IMPACT STUDY

The Service Impact Study will be based upon the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

[Above assumptions to be completed by Surplus Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

**APPENDIX 4 to LGIP
INTERCONNECTION FACILITIES STUDY AGREEMENT**

THIS AGREEMENT is made and entered into this day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ existing under the laws of the State of _____, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System;

WHEREAS, Transmission Provider has completed an Interconnection System Impact Study (the "System Impact Study") and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.

- 2.0 Interconnection Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.
- 4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Large Generating Facility to the Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Interconnection System Impact Study.
- 5.0 Interconnection Customer shall provide a deposit of \$100,000 for the performance of the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

- 6.0 Miscellaneous. The Interconnection Facility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**Attachment A To Appendix 4
Interconnection Facilities
Study Agreement**

**INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR
CONDUCTING THE INTERCONNECTION FACILITIES STUDY**

Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after of receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or
- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to Transmission Provider's transmission line.

Tower number observed in the field. (Painted on tower leg)*

Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

Is the Large Generating Facility in the Transmission Provider's service area?

____ Yes _____ No Local provider: _____

Please provide proposed schedule dates:

Begin Construction Date: _____

Generator step-up transformer
receives back feed power Date: _____

Generation Testing Date: _____

Commercial Operation Date: _____

Attachment B (page 2)
Appendix 4
Interconnection Facilities Study Agreement

Line length from interconnection station to Transmission Provider's transmission line.

Tower number observed in the field. (Painted on tower leg)*

Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

Is the Large Generating Facility in the Transmission Provider's service area?

_____ Yes _____ No

Local provider: _____

Please provide proposed schedule dates:

Begin Construction Date: _____

Generator step-up transformer Date: _____

receives back feed power

Generation Testing Date: _____

Commercial Operation Date: _____

APPENDIX 5 to LGIP OPTIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ an _____ existing under the laws of the State of _____ ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____;

WHEREAS, Interconnection Customer is proposing to establish an interconnection with the Transmission System; and

WHEREAS, Interconnection Customer has submitted to Transmission Provider an Interconnection Request; and

WHEREAS, on or after the date when Interconnection Customer receives the Interconnection System Impact Study results, Interconnection Customer has further requested that Transmission Provider prepare an Optional Interconnection Study;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause an Optional Interconnection Study consistent with Section 10.0 of this LGIP to be performed in accordance with the Tariff.

- 3.0 The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Optional Interconnection Study shall be performed solely for informational purposes.
- 5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or interconnection service based upon the assumptions specified by Interconnection Customer in Attachment A.
- 6.0 Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Optional Interconnection Study. Transmission Provider's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].

Upon receipt of the Optional Interconnection Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Optional Study.

Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

- 7.0 Miscellaneous. The Optional Interconnection Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**APPENDIX 6 to LGIP
LARGE GENERATOR INTERCONNECTION AGREEMENT
(SEE LGIA)**

APPENDIX 7

INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Appendix 7 sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by section 3.3 of this LGIP, may provide to the Transmission Provider a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in this LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the Transmission Provider to complete the System Impact Study.

ATTACHMENT P
STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT
(LGIA)

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STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this ____ day of _____ 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), and _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Transmission Provider and/or Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

Article 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity. A cooperative's members are not considered Affiliates for purposes of this Tariff.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the Regional Entity, as defined by Section 215 of the Federal Power Act, applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Contingent Facilities shall mean those unbuilt Interconnection Facilities, Network Upgrades, and/or planned Interconnection Facilities and Network Upgrades not yet in-service upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing. Contingent Facilities are identified in Appendix A of the Standard Large Generator Interconnection Agreement.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission

Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the

Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Corporation or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid Interconnection Request, or Surplus Interconnection Service Request as applicable, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the

Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the Point of Interconnection would remain the same.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff.

The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Variable Energy Resource shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days

advance written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Either Party may terminate this LGIA in accordance with Article 17.

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to

orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection. Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival. This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

3.1 Filing. Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide

any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

4.1 Interconnection Product Options. Interconnection Customer has selected the following (checked) type of Interconnection Service:

4.1.1 Energy Resource Interconnection Service.

4.1.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 Transmission Delivery Service Implications. Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability

and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service.

4.1.2.1 The Product. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 Transmission Delivery Service Implications. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain

delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a

Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

- 4.2 Provision of Service.** Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.
- 4.4 No Transmission Delivery Service.** The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

- 5.1 Options.** Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission Provider, the Interconnection Customer shall notify Transmission Provider within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1 Standard Option. Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build. Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then pursuant to Article 5.1.1 (Standard Option), Transmission Provider shall assume responsibility for the design, procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

(1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;

(2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;

(5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider;

(10) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

(12) If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Transmission Provider the agreed upon amount of [\$ PLACEHOLDER] for Transmission Provider to execute the responsibilities enumerated to Transmission Provider under Article 5.2. Transmission Provider shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to $\frac{1}{2}$ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement. If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and

procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

- 5.5.1** Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;
 - 5.5.2** Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and
 - 5.5.3** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.6 Construction Commencement.** Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:
- 5.6.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
 - 5.6.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;
 - 5.6.3** Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and
 - 5.6.4** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.7 Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Other Interconnection Options.

5.9.1 Limited Operation. If any Contingent Facilities or Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of any Contingent Facilities or Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.9.2 Provisional Interconnection Service. Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, Contingent Facilities, or System Protection Facilities Transmission Provider may execute a Provisional Large Generator Interconnection Agreement or Interconnection Customer may request the filing of an unexecuted Provisional Large Generator Interconnection Agreement with the Interconnection Customer for limited Interconnection Service at the discretion of Transmission Provider based upon an evaluation that will consider the results of available studies. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, Contingent Facilities, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such, Interconnection Facilities,

Network Upgrades, Distribution Upgrades, Contingent Facilities, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated on an annual or as needed basis and at the Interconnection Customer's expense. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, Contingent Facilities, and/or System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities ('ICIF').

Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications.

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review. Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction.

Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities.

Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with

normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

- 5.13 Lands of Other Property Owners.** If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property.
- 5.14 Permits.** Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.
- 5.15 Early Construction of Base Case Facilities.** Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.
- 5.16 Suspension.** Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in

suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de

minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider. Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of

limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$. Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal

income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests. In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep

Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

5.17.8 Refund. In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

- (i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,
- (ii) interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and
- (iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest.

Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 Transmission Owners Who Are Not Transmission Providers. If

Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or

such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications. Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the

other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

- 6.3 Right to Observe Testing.** Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

- 7.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below.

The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

- 7.3 Standards.** Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.
- 7.4 Testing of Metering Equipment.** Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.
- 7.5 Metering Data.** At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8. Communications

- 8.1 Interconnection Customer Obligations.** Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission

Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

- 8.2 Remote Terminal Unit.** Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bidirectional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

- 8.3 No Annexation.** Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.
- 8.4 Provision of Data from a Variable Energy Resource.** The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, wind

speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9. Operations

- 9.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.
- 9.2 Control Area Notification.** At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

- 9.3 Transmission Provider Obligations.** Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.
- 9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.
- 9.6 Reactive Power and Primary Frequency Response.**
- 9.6.1 Power Factor Design Criteria.**
- 9.6.1.1 Synchronous Generation.** Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all synchronous generators in the Control Area on a comparable basis.
- 9.6.1.2 Non-Synchronous Generation.** Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor

within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all non-synchronous generators in the Control Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 Voltage Regulators. Whenever the Large Generating Facility is operated in parallel with the Transmission System and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its voltage regulators in automatic operation. If the Large Generating Facility's voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption

(measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power. Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.6.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility’s

real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Large Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in Sections 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

9.6.4.1 Governor or Equivalent Controls. Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service;

and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service.

Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

9.6.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 Exemptions. Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 9.6.4, but shall be otherwise

exempt from the operating requirements in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4. Electric Storage Resources. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 9.6.4, 9.6.4.1, 9.6.4.2 and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection

Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules. Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12)

months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service. If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions. The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 System Protection Facilities. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the

interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

- 9.7.4.2** Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.
- 9.7.4.3** Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.
- 9.7.4.4** Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.
- 9.7.4.5** Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.
- 9.7.4.6** Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld,

conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In

addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

- 9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

- 10.1 Transmission Provider Obligations.** Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.
- 10.2 Interconnection Customer Obligations.** Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.
- 10.3 Coordination.** The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.
- 10.4 Secondary Systems.** Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical

circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

- 10.5 Operating and Maintenance Expenses.** Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

Article 11. Performance Obligation

- 11.1 Interconnection Customer Interconnection Facilities.** Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.
- 11.2 Transmission Provider's Interconnection Facilities.** Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.
- 11.3 Network Upgrades and Distribution Upgrades.** Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.
- 11.4 Transmission Credits.**
- 11.4.1 Repayment of Amounts Advanced for Network Upgrades.** Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to

Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

11.4.2 Special Provisions for Affected Systems. Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the

Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

In addition:

- 11.5.1** The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.
- 11.5.2** The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.
- 11.5.3** The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to

Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

- 12.3 Payment.** Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.
- 12.4 Disputes.** In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

- 13.1 Definition.** "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations. Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice. Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action. Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

13.5 Transmission Provider Authority.

13.5.1 General. Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities.

Transmission Provider may, on the basis of technical considerations,

require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection. Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or

prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

- 13.7 Limited Liability.** Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

- 14.1 Regulatory Requirements.** Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

- 14.2.1** The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.
- 14.2.2** This LGIA is subject to all Applicable Laws and Regulations.
- 14.2.3** Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15. Notices.

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice . Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and

shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default

17.1.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate. If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this LGIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this LGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal

defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party.

Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

18.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance. Each party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

- 18.3.2** Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.
- 18.3.3** Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.
- 18.3.4** Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.
- 18.3.5** The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.
- 18.3.6** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been

liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

- 18.3.7** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- 18.3.8** The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.
- 18.3.9** Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.
- 18.3.10** Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.
- 18.3.11** The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19. Assignment

19.1 Assignment. This LGIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

21.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 Term. During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if

the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

- 22.1.3 Release of Confidential Information.** Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.
- 22.1.4 Rights.** Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 22.1.5 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.
- 22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or

otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement. Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to FERC, its Staff, or a State. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the

request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

- 23.1** Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

- 24.1 Information Acquisition.** Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.
- 24.2 Information Submission by Transmission Provider.** The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.
- 24.3 Updated Information Submission by Interconnection Customer.** The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model,

Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage.

Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station.

Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

- 25.1 Information Access.** Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.
- 25.2 Reporting of Non-Force Majeure Events.** Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.
- 25.3 Audit Rights.** Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.
- 25.4 Audit Rights Periods.**
- 25.4.1 Audit Rights Period for Construction-Related Accounts and Records.** Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject

to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records.

Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

26.1 General. Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

- 27.1 Submission.** In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.
- 27.2 External Arbitration Procedures.** Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.
- 27.3 Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the

standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

- 27.4 Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

- 28.1 General.** Each Party makes the following representations, warranties and covenants:

- 28.1.1 Good Standing.** Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.
- 28.1.2 Authority.** Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).
- 28.1.3 No Conflict.** The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any

judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

- 28.1.4 Consent and Approval.** Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

Article 29. Joint Operating Committee

- 29.1 Joint Operating Committee.** Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

- 29.1.1** Establish data requirements and operating record requirements.
- 29.1.2** Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.
- 29.1.3** Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

- 29.1.4** Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.
- 29.1.5** Ensure that information is being provided by each Party regarding equipment availability.
- 29.1.6** Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

- 30.1 Binding Effect.** This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 30.2 Conflicts.** In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.
- 30.3 Rules of Interpretation.** This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without

limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

- 30.4 Entire Agreement.** This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.
- 30.5 No Third Party Beneficiaries.** This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 30.6 Waiver.** The failure of a Party to this LGIA to insist, on any occasion, upon strict performance of any provision of this LGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.
- 30.7 Headings.** The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.
- 30.8 Multiple Counterparts.** This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 30.9 Amendment.** The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.
- 30.10 Modification by the Parties.** The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties.

Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. Transmission Provider shall have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Appendix A to LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:

(a) [insert Interconnection Customer's Interconnection Facilities]:

(b) [insert Transmission Provider's Interconnection Facilities]:

2. Network Upgrades:

(a) [insert Stand Alone Network Upgrades]:

(b) [insert Other Network Upgrades]:

3. Distribution Upgrades:

3. Contingent Facilities:

Appendix B to LGIA

Milestones

Appendix C to LGIA
Interconnection Details

Appendix D to LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

Appendix E to LGIA
Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

[Transmission Provider Address]

Re: _____ Large Generating Facility

Dear _____:

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. _____. This letter confirms that **[Interconnection Customer]** commenced Commercial Operation of Unit No. _____ at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Notices:.

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

APPENDIX G

Interconnection Requirements for a Wind Generating Plant

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and

single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer(i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a

voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.

Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has executed a Facilities Study Agreement as of the effective date of the Final Rule establishing the reactive power requirements for non-synchronous generators in section 9.6.1 of this LGIA (Order No. 827). A wind generating plant to which this provision applies shall maintain a power factor within the range of 0.95

leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Transmission Provider's System Impact Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability 606 (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

Attachment Q

**Small Generator Interconnection Procedures (SGIP)
(For Generating Facilities No Larger Than 20 MW)**

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[Attachment 2](#) – Small Generator Interconnection Request

[Attachment 3](#) – Certification Codes and Standards

[Attachment 4](#) – Certification of Small Generator Equipment Packages

[Attachment 5](#) – Application, Procedures, and Terms and Conditions for Interconnecting a
Certified Inverter-Based Small Generating Facility No Larger than 10 kW (“10 kW
Inverter Process”)

[Attachment 6](#) – Feasibility Study Agreement

[Attachment 7](#) – System Impact Study Agreement

[Attachment 8](#) – Facilities Study Agreement

Section 1. Application

1.1 Applicability

- 1.1.1 A request to interconnect a certified Small Generating Facility (See Attachments 3 and 4 for description of certification criteria) to the Transmission Provider's Distribution System shall be evaluated under the section 2 Fast Track Process if the eligibility requirements of section 2.1 are met. A request to interconnect a certified inverter-based Small Generating Facility no larger than 10 kilowatts (kW) shall be evaluated under the Attachment 5 10 kW Inverter Process. A request to interconnect a Small Generating Facility no larger than 20 megawatts (MW) that does not meet the eligibility requirements of section 2.1, or does not pass the Fast Track Process or the 10 kW Inverter Process, shall be evaluated under the section 3 Study Process. If the Interconnection Customer wishes to interconnect its Small Generating Facility using Network Resource Interconnection Service, it must do so under the Standard Large Generator Interconnection Procedures and execute the Standard Large Generator Interconnection Agreement.
- 1.1.2 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.
- 1.1.3 Neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to 60 Business Days after the effective date of these procedures.
- 1.1.4 Prior to submitting its Interconnection Request (Attachment 2), the Interconnection Customer may ask the Transmission Provider's interconnection contact employee or office whether the proposed interconnection is subject to these procedures. The Transmission Provider shall respond within 15 Business Days.
- 1.1.5 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Federal Energy Regulatory Commission expects all Transmission Providers, market participants, and Interconnection Customers interconnected with electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric

reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

- 1.1.6 References in these procedures to interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

1.2 Pre-Application

- 1.2.1 The Transmission Provider shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and e-mail address of such contact employee or office shall be made available on the Transmission Provider's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Transmission Provider's Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The Transmission Provider shall comply with reasonable requests for such information.
- 1.2.2 In addition to the information described in section 1.2.1, which may be provided in response to an informal request, an Interconnection Customer may submit a formal written request form along with a non-refundable fee of \$300 for a pre-application report on a proposed project at a specific site. The Transmission Provider shall provide the pre-application data described in section 1.2.3 to the Interconnection Customer within 20 Business Days of receipt of the completed request form and payment of the \$300 fee. The pre-application report produced by the Transmission Provider is nonbinding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the Transmission Provider's system. The written pre-application report request form shall include the information in sections 1.2.2.1 through 1.2.2.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection.

- 1.2.2.1 Project contact information, including name, address, phone number, and email address.
 - 1.2.2.2 Project location (street address with nearby cross streets and town)
 - 1.2.2.3 Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.
 - 1.2.2.4 Generator Type (e.g., solar, wind, combined heat and power, etc.)
 - 1.2.2.5 Size (alternating current kW)
 - 1.2.2.6 Single or three phase generator configuration
 - 1.2.2.7 Stand-alone generator (no onsite load, not including station service – Yes or No?)
 - 1.2.2.8 Is new service requested? Yes or No? If there is existing service, include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change.
- 1.2.3. Using the information provided in the pre-application report request form in section 1.2.2, the Transmission Provider will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. This selection by the Transmission Provider does not necessarily indicate, after application of the screens and/or study, that this would be the circuit the project ultimately connects to. The Interconnection Customer must request additional pre-application reports if information about multiple Points of Interconnection is requested. Subject to section 1.2.4, the pre-application report will include the following information:
- 1.2.3.1 Total capacity (in MW) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Interconnection.
 - 1.2.3.2 Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed Point of Interconnection.

- 1.2.3.3 Aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (i.e., amount of generation in the queue) likely to serve the proposed Point of Interconnection.
- 1.2.3.4 Available capacity (in MW) of substation/area bus or bank and circuit likely to serve the proposed Point of Interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).
- 1.2.3.5 Substation nominal distribution voltage and/or transmission nominal voltage if applicable.
- 1.2.3.6 Nominal distribution circuit voltage at the proposed Point of Interconnection.
- 1.2.3.7 Approximate circuit distance between the proposed Point of Interconnection and the substation.
- 1.2.3.8 Relevant line section(s) actual or estimated peak load and minimum load data, including daytime minimum load as described in section 2.4.4.1.1 below and absolute minimum load, when available.
- 1.2.3.9 Number and rating of protective devices and number and type (standard, bi-directional) of voltage regulating devices between the proposed Point of Interconnection and the substation/area. Identify whether the substation has a load tap changer.
- 1.2.3.10 Number of phases available at the proposed Point of Interconnection. If a single phase, distance from the three-phase circuit.
- 1.2.3.11 Limiting conductor ratings from the proposed Point of Interconnection to the distribution substation.
- 1.2.3.12 Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.
- 1.2.3.13 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting

capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.

- 1.2.4 The pre-application report need only include existing data. A pre-application report request does not obligate the Transmission Provider to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the Transmission Provider cannot complete all or some of a pre-application report due to lack of available data, the Transmission Provider shall provide the Interconnection Customer with a pre-application report that includes the data that is available. The provision of information on “available capacity” pursuant to section 1.2.3.4 does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the pre-application report may become outdated at the time of the submission of the complete Interconnection Request. Notwithstanding any of the provisions of this section, the Transmission Provider shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

1.3 Interconnection Request

The Interconnection Customer shall submit its Interconnection Request to the Transmission Provider, together with the processing fee or deposit specified in the Interconnection Request. The Interconnection Request shall be date- and time-stamped upon receipt. The original date- and time-stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. The Interconnection Customer shall be notified of receipt by the Transmission Provider within three Business Days of receiving the Interconnection Request. The Transmission Provider shall notify the Interconnection Customer within ten Business Days of the receipt of the Interconnection Request as to whether the Interconnection Request is complete or incomplete. If the Interconnection Request is incomplete, the Transmission Provider shall provide along with the notice that the Interconnection Request is incomplete, a written list detailing all information that must be provided to complete the Interconnection Request. The Interconnection Customer will

have ten Business Days after receipt of the notice to submit the listed information or to request an extension of time to provide such information. If the Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Interconnection Request will be deemed withdrawn. An Interconnection Request will be deemed complete upon submission of the listed information to the Transmission Provider.

1.4 Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by the Transmission Provider and the Interconnection Customer may be deemed a withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken.

1.5 Site Control

Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

- 1.5.1 Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;
- 1.5.2 An option to purchase or acquire a leasehold site for such purpose; or
- 1.5.3 An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

1.6 Queue Position

The Transmission Provider shall assign a Queue Position based upon the date- and time-stamp of the Interconnection Request. The Queue Position of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. The Transmission Provider shall maintain a single queue per geographic region. At the Transmission

Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study.

1.7 Interconnection Requests Submitted Prior to the Effective Date of the SGIP

Nothing in this SGIP affects an Interconnection Customer's Queue Position assigned before the effective date of this SGIP. The Parties agree to complete work on any interconnection study agreement executed prior the effective date of this SGIP in accordance with the terms and conditions of that interconnection study agreement. Any new studies or other additional work will be completed pursuant to this SGIP.

Section 2. Fast Track Process

2.1 Applicability

The Fast Track Process is available to an Interconnection Customer proposing to interconnect its Small Generating Facility with the Transmission Provider's Distribution System if the Small Generating Facility's capacity does not exceed the size limits identified in the table below. Small Generating Facilities below these limits are eligible for Fast Track review. However, Fast Track eligibility is distinct from the Fast Track Process itself, and eligibility does not imply or indicate that a Small Generating Facility will pass the Fast Track screens in section 2.2.1 below or the Supplemental Review screens in section 2.4.4 below.

Fast Track eligibility is determined based upon the generator type, the size of the generator, voltage of the line and the location of and the type of line at the Point of Interconnection. All Small Generating Facilities connecting to lines greater than 69 kilovolt (kV) are ineligible for the Fast Track Process regardless of size. All synchronous and induction machines must be no larger than 2 MW to be eligible for the Fast Track Process, regardless of location. For certified inverter-based systems, the size limit varies according to the voltage of the line at the proposed Point of Interconnection. Certified inverter-based Small Generating Facilities located within 2.5 electrical circuit miles of a substation and on a mainline (as defined in the table below) are eligible for the Fast Track Process under the higher thresholds according to the table below. In addition to the size threshold, the Interconnection Customer's proposed Small Generating Facility must meet the codes, standards, and certification requirements of Attachments 3 and 4 of these

procedures, or the Transmission Provider has to have reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

Fast Track Eligibility for Inverter-Based Systems		
Line Voltage	Fast Track Eligibility Regardless of Location	Fast Track Eligibility on a Mainline ¹ and ≤ 2.5 Electrical Circuit Miles from Substation ²
< 5 kV	≤ 500 kW	≤ 500 kW
≥ 5 kV and < 15 kV	≤ 2 MW	≤ 3 MW
≥ 15 kV and < 30 kV	≤ 3 MW	≤ 4 MW
≥ 30 kV and ≤ 69 kV	≤ 4 MW	≤ 5 MW

2.2 Initial Review

Within 15 Business Days after the Transmission Provider notifies the Interconnection Customer it has received a complete Interconnection Request, the Transmission Provider shall perform an initial review using the screens set forth below, shall notify the Interconnection Customer of the results, and include with the notification copies of the analysis and data underlying the Transmission Provider's determinations under the screens.

2.2.1 Screens

2.2.1.1 The proposed Small Generating Facility's Point of Interconnection must be on a portion of the Transmission Provider's Distribution System that is subject to the Tariff.

¹ For purposes of this table, a mainline is the three-phase backbone of a circuit. It will typically constitute lines with wire sizes of 4/0 American wire gauge, 336.4 kcmil, 397.5 kcmil, 477 kcmil and 795 kcmil.

² An Interconnection Customer can determine this information about its proposed interconnection location in advance by requesting a pre-application report pursuant to section 1.2.

- 2.2.1.2 For interconnection of a proposed Small Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Small Generating Facility, on the circuit shall not exceed 15 % of the line section annual peak load as most recently measured at the substation. A line section is that portion of a Transmission Provider's electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.
- 2.2.1.3 For interconnection of a proposed Small Generating Facility to the load side of spot network protectors, the proposed Small Generating Facility must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, shall not exceed the smaller of 5 % of a spot network's maximum load or 50 kW.³
- 2.2.1.4 The proposed Small Generating Facility, in aggregation with other generation on the distribution circuit, shall not contribute more than 10 % to the distribution circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.
- 2.2.1.5 The proposed Small Generating Facility, in aggregate with other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Interconnection Customer equipment on the system to exceed 87.5 % of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds 87.5 % of the short circuit interrupting capability.

³ A spot network is a type of distribution system found within modern commercial buildings to provide high reliability of service to a single customer. (Standard Handbook for Electrical Engineers, 11th edition, Donald Fink, McGraw Hill Book Company)

- 2.2.1.6 Using the table below, determine the type of interconnection to a primary distribution line. This screen includes a review of the type of electrical service provided to the Interconnecting Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on the Transmission Provider's electric power system due to a loss of ground during the operating time of any anti-islanding function.

Primary Distribution Line Type	Type of Interconnection to Primary Distribution Line	Result/Criteria
Three-phase, three wire	3-phase or single phase, phase-to-phase	Pass screen
Three-phase, four wire	Effectively-grounded 3 phase or Single-phase, line-to-neutral	Pass screen

- 2.2.1.7 If the proposed Small Generating Facility is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed Small Generating Facility, shall not exceed 20 kW.
- 2.2.1.8 If the proposed Small Generating Facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20 % of the nameplate rating of the service transformer.
- 2.2.1.9 The Small Generating Facility, in aggregate with other generation interconnected to the transmission side of a substation transformer feeding the circuit where the Small Generating Facility proposes to interconnect shall not exceed 10 MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (e.g., three or four transmission busses from the point of interconnection).

2.2.1.10 No construction of facilities by the Transmission Provider on its own system shall be required to accommodate the Small Generating Facility.

2.2.2 If the proposed interconnection passes the screens, the Interconnection Request shall be approved and the Transmission Provider will provide the Interconnection Customer an executable interconnection agreement within five Business Days after the determination.

2.2.3 If the proposed interconnection fails the screens, but the Transmission Provider determines that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards, the Transmission Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days after the determination.

2.2.4 If the proposed interconnection fails the screens, and the Transmission Provider does not or cannot determine from the initial review that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless the Interconnection Customer is willing to consider minor modifications or further study, the Transmission Provider shall provide the Interconnection Customer with the opportunity to attend a customer options meeting.

2.3 Customer Options Meeting

If the Transmission Provider determines the Interconnection Request cannot be approved without (1) minor modifications at minimal cost, (2) a supplemental study or other additional studies or actions, or (3) incurring significant cost to address safety, reliability, or power quality problems, the Transmission Provider shall notify the Interconnection Customer of that determination within five Business Days after the determination and provide copies of all data and analyses underlying its conclusion. Within ten Business Days of the Transmission Provider's determination, the Transmission Provider shall offer to convene a customer options meeting with the Transmission Provider to review possible

Interconnection Customer facility modifications or the screen analysis and related results, to determine what further steps are needed to permit the Small Generating Facility to be connected safely and reliably. At the time of notification of the Transmission Provider's determination, or at the customer options meeting, the Transmission Provider shall:

- 2.3.1 Offer to perform facility modifications or minor modifications to the Transmission Provider's electric system (e.g., changing meters, fuses, relay settings) and provide a non-binding good faith estimate of the limited cost to make such modifications to the Transmission Provider's electric system. If the Interconnection Customer agrees to pay for the modifications to the Transmission Provider's electric system, the Transmission Provider will provide the Interconnection Customer with an executable interconnection agreement within ten Business Days of the customer options meeting; or
- 2.3.2 Offer to perform a supplemental review in accordance with section 2.4 and provide a non-binding good faith estimate of the costs of such review; or
- 2.3.3 Obtain the Interconnection Customer's agreement to continue evaluating the Interconnection Request under the section 3 Study Process.

2.4 Supplemental Review

- 2.4.1 To accept the offer of a supplemental review, the Interconnection Customer shall agree in writing and submit a deposit for the estimated costs of the supplemental review in the amount of the Transmission Provider's good faith estimate of the costs of such review, both within 15 Business Days of the offer. If the written agreement and deposit have not been received by the Transmission Provider within that timeframe, the Interconnection Request shall continue to be evaluated under the section 3 Study Process unless it is withdrawn by the Interconnection Customer.
- 2.4.2 The Interconnection Customer may specify the order in which the Transmission Provider will complete the screens in section 2.4.4.
- 2.4.3 The Interconnection Customer shall be responsible for the Transmission Provider's actual costs for conducting the supplemental review. The Interconnection Customer must pay any review costs that exceed the deposit within 20 Business Days of

receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the Transmission Provider will return such excess within 20 Business Days of the invoice without interest.

- 2.4.4 Within 30 Business Days following receipt of the deposit for a supplemental review, the Transmission Provider shall (1) perform a supplemental review using the screens set forth below; (2) notify in writing the Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying the Transmission Provider's determinations under the screens. Unless the Interconnection Customer provided instructions for how to respond to the failure of any of the supplemental review screens below at the time the Interconnection Customer accepted the offer of supplemental review, the Transmission Provider shall notify the Interconnection Customer following the failure of any of the screens, or if it is unable to perform the screen in section 2.4.4.1, within two Business Days of making such determination to obtain the Interconnection Customer's permission to: (1) continue evaluating the proposed interconnection under this section 2.4.4; (2) terminate the supplemental review and continue evaluating the Small Generating Facility under section 3; or (3) terminate the supplemental review upon withdrawal of the Interconnection Request by the Interconnection Customer.

- 2.4.4.1 Minimum Load Screen: Where 12 months of line section minimum load data (including onsite load but not station service load served by the proposed Small Generating Facility) are available, can be calculated, can be estimated from existing data, or determined from a power flow model, the aggregate Generating Facility capacity on the line section is less than 100% of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the proposed Small Generating Facility. If minimum load data is not available, or cannot be calculated, estimated or determined, the Transmission Provider shall include the reason(s) that it is unable to calculate, estimate or

determine minimum load in its supplemental review results notification under section 2.4.4.

- 2.4.4.1.1 The type of generation used by the proposed Small Generating Facility will be taken into account when calculating, estimating, or determining circuit or line section minimum load relevant for the application of screen 2.4.4.1. Solar photovoltaic (PV) generation systems with no battery storage use daytime minimum load (i.e. 10 a.m. to 4 p.m. for fixed panel systems and 8 a.m. to 6 p.m. for PV systems utilizing tracking systems), while all other generation uses absolute minimum load.
- 2.4.4.1.2 When this screen is being applied to a Small Generating Facility that serves some station service load, only the net injection into the Transmission Provider's electric system will be considered as part of the aggregate generation.
- 2.4.4.1.3 Transmission Provider will not consider as part of the aggregate generation for purposes of this screen generating facility capacity known to be already reflected in the minimum load data.
- 2.4.4.2 Voltage and Power Quality Screen: In aggregate with existing generation on the line section: (1) the voltage regulation on the line section can be maintained in compliance with relevant requirements under all system conditions; (2) the voltage fluctuation is within acceptable limits as defined by Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or utility practice similar to IEEE Standard 1453; and (3) the harmonic levels meet IEEE Standard 519 limits.
- 2.4.4.3 Safety and Reliability Screen: The location of the proposed Small Generating Facility and the aggregate generation

capacity on the line section do not create impacts to safety or reliability that cannot be adequately addressed without application of the Study Process. The Transmission Provider shall give due consideration to the following and other factors in determining potential impacts to safety and reliability in applying this screen.

- 2.4.4.3.1 Whether the line section has significant minimum loading levels dominated by a small number of customers (e.g., several large commercial customers).
- 2.4.4.3.2 Whether the loading along the line section is uniform or even.
- 2.4.4.3.3 Whether the proposed Small Generating Facility is located in close proximity to the substation (i.e., less than 2.5 electrical circuit miles), and whether the line section from the substation to the Point of Interconnection is a Mainline rated for normal and emergency ampacity.
- 2.4.4.3.4 Whether the proposed Small Generating Facility incorporates a time delay function to prevent reconnection of the generator to the system until system voltage and frequency are within normal limits for a prescribed time.
- 2.4.4.3.5 Whether operational flexibility is reduced by the proposed Small Generating Facility, such that transfer of the line section(s) of the Small Generating Facility to a neighboring distribution circuit/substation may trigger overloads or voltage issues.

2.4.4.3.6 Whether the proposed Small Generating Facility employs equipment or systems certified by a recognized standards organization to address technical issues such as, but not limited to, islanding, reverse power flow, or voltage quality.

2.4.5 If the proposed interconnection passes the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, the Interconnection Request shall be approved and the Transmission Provider will provide the Interconnection Customer with an executable interconnection agreement within the timeframes established in sections 2.4.5.1 and 2.4.5.2 below. If the proposed interconnection fails any of the supplemental review screens and the Interconnection Customer does not withdraw its Interconnection Request, it shall continue to be evaluated under the section 3 Study Process consistent with section 2.4.5.3 below.

2.4.5.1 If the proposed interconnection passes the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above and does not require construction of facilities by the Transmission Provider on its own system, the interconnection agreement shall be provided within ten Business Days after the notification of the supplemental review results.

2.4.5.2 If interconnection facilities or minor modifications to the Transmission Provider's system are required for the proposed interconnection to pass the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, and the Interconnection Customer agrees to pay for the modifications to the Transmission Provider's electric system, the interconnection agreement, along with a non-binding good faith estimate for the interconnection facilities and/or minor modifications, shall be provided to the Interconnection Customer within 15 Business Days after receiving written notification of the supplemental review results.

- 2.4.5.3 If the proposed interconnection would require more than interconnection facilities or minor modifications to the Transmission Provider's system to pass the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, the Transmission Provider shall notify the Interconnection Customer, at the same time it notifies the Interconnection Customer with the supplemental review results, that the Interconnection Request shall be evaluated under the section 3 Study Process unless the Interconnection Customer withdraws its Small Generating Facility.

Section 3. Study Process

3.1 Applicability

The Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with the Transmission Provider's Transmission System or Distribution System if the Small Generating Facility (1) is larger than 2 MW but no larger than 20 MW, (2) is not certified, or (3) is certified but did not pass the Fast Track Process or the 10 kW Inverter Process.

3.2 Scoping Meeting

- 3.2.1 A scoping meeting will be held within ten Business Days after the Interconnection Request is deemed complete, or as otherwise mutually agreed to by the Parties. The Transmission Provider and the Interconnection Customer will bring to the meeting personnel, including system engineers and other resources as may be reasonably required to accomplish the purpose of the meeting.
- 3.2.2 The purpose of the scoping meeting is to discuss the Interconnection Request and review existing studies relevant to the Interconnection Request. The Parties shall further discuss whether the Transmission Provider should perform a feasibility study or proceed directly to a system impact study, or a facilities study, or an interconnection agreement. If the Parties agree that a feasibility study should be performed, the Transmission Provider shall provide the Interconnection Customer, as soon as possible,

but not later than five Business Days after the scoping meeting, a feasibility study agreement (Attachment 6) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

- 3.2.3 The scoping meeting may be omitted by mutual agreement. In order to remain in consideration for interconnection, an Interconnection Customer who has requested a feasibility study must return the executed feasibility study agreement within 15 Business Days. If the Parties agree not to perform a feasibility study, the Transmission Provider shall provide the Interconnection Customer, no later than five Business Days after the scoping meeting, a system impact study agreement (Attachment 7) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

3.3 Feasibility Study

- 3.3.1 The feasibility study shall identify any potential adverse system impacts that would result from the interconnection of the Small Generating Facility.
- 3.3.2 A deposit of the lesser of 50 percent of the good faith estimated feasibility study costs or earnest money of \$1,000 may be required from the Interconnection Customer.
- 3.3.3 The scope of and cost responsibilities for the feasibility study are described in the attached feasibility study agreement (Attachment 6).
- 3.3.4 If the feasibility study shows no potential for adverse system impacts, the Transmission Provider shall send the Interconnection Customer a facilities study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study. If no additional facilities are required, the Transmission Provider shall send the Interconnection Customer an executable interconnection agreement within five Business Days.
- 3.3.5 If the feasibility study shows the potential for adverse system impacts, the review process shall proceed to the appropriate system impact study(s).

3.4 System Impact Study

- 3.4.1 A system impact study shall identify and detail the electric system impacts that would result if the proposed Small Generating Facility were

interconnected without project modifications or electric system modifications, focusing on the adverse system impacts identified in the feasibility study, or to study potential impacts, including but not limited to those identified in the scoping meeting. A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the electric system.

- 3.4.2 If no transmission system impact study is required, but potential electric power Distribution System adverse system impacts are identified in the scoping meeting or shown in the feasibility study, a distribution system impact study must be performed. The Transmission Provider shall send the Interconnection Customer a distribution system impact study agreement within 15 Business Days of transmittal of the feasibility study report, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or following the scoping meeting if no feasibility study is to be performed.
- 3.4.3 In instances where the feasibility study or the distribution system impact study shows potential for transmission system adverse system impacts, within five Business Days following transmittal of the feasibility study report, the Transmission Provider shall send the Interconnection Customer a transmission system impact study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, if such a study is required.
- 3.4.4 If a transmission system impact study is not required, but electric power Distribution System adverse system impacts are shown by the feasibility study to be possible and no distribution system impact study has been conducted, the Transmission Provider shall send the Interconnection Customer a distribution system impact study agreement.
- 3.4.5 If the feasibility study shows no potential for transmission system or Distribution System adverse system impacts, the Transmission Provider shall send the Interconnection Customer either a facilities study agreement (Attachment 8), including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or an executable interconnection agreement, as applicable.

- 3.4.6 In order to remain under consideration for interconnection, the Interconnection Customer must return executed system impact study agreements, if applicable, within 30 Business Days.
- 3.4.7 A deposit of the good faith estimated costs for each system impact study may be required from the Interconnection Customer.
- 3.4.8 The scope of and cost responsibilities for a system impact study are described in the attached system impact study agreement.
- 3.4.9 Where transmission systems and Distribution Systems have separate owners, such as is the case with transmission-dependent utilities ("TDUs") – whether investor-owned or not – the Interconnection Customer may apply to the nearest Transmission Provider (Transmission Owner, Regional Transmission Operator, or Independent Transmission Provider) providing transmission service to the TDU to request project coordination. Affected Systems shall participate in the study and provide all information necessary to prepare the study.

3.5 Facilities Study

- 3.5.1 Once the required system impact study(s) is completed, a system impact study report shall be prepared and transmitted to the Interconnection Customer along with a facilities study agreement within five Business Days, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study. In the case where one or both impact studies are determined to be unnecessary, a notice of the fact shall be transmitted to the Interconnection Customer within the same timeframe.
- 3.5.2 In order to remain under consideration for interconnection, or, as appropriate, in the Transmission Provider's interconnection queue, the Interconnection Customer must return the executed facilities study agreement or a request for an extension of time within 30 Business Days.
- 3.5.3 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).

- 3.5.4 Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. The Transmission Provider may contract with consultants to perform activities required under the facilities study agreement. The Interconnection Customer and the Transmission Provider may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by the Transmission Provider, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, the Transmission Provider shall make sufficient information available to the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.
- 3.5.5 A deposit of the good faith estimated costs for the facilities study may be required from the Interconnection Customer.
- 3.5.6 The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement.
- 3.5.7 Upon completion of the facilities study, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, the Transmission Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days.

Section 4. Provisions that Apply to All Interconnection Requests

4.1 Reasonable Efforts

The Transmission Provider shall make reasonable efforts to meet all time frames provided in these procedures unless the Transmission Provider and the Interconnection Customer agree to a different schedule. If the Transmission Provider cannot meet a deadline provided herein, it shall notify the Interconnection Customer, explain the reason for the failure to meet the deadline,

and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

4.2 Disputes

- 4.2.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 4.2.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 4.2.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 4.2.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 4.2.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 4.2.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of these procedures.

4.3 Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with Federal Energy Regulatory Commission, state, or local regulatory requirements or the Transmission Provider's specifications.

4.4 Commissioning

Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The Transmission

Provider must be given at least five Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

4.5. Confidentiality

4.5.1 Confidential information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of these procedures all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such.

4.5.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce these procedures. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under these procedures, or to fulfill legal or regulatory requirements.

4.5.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

4.5.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

4.5.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to these procedures, the Party shall provide the requested information to FERC, within the time provided for in

the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC. The Party shall notify the other Party when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

4.6 Comparability

The Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this document. The Transmission Provider shall use the same reasonable efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Small Generating Facility is owned or operated by the Transmission Provider, its subsidiaries or affiliates, or others.

4.7 Record Retention

The Transmission Provider shall maintain for three years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests.

4.8 Interconnection Agreement

After receiving an interconnection agreement from the Transmission Provider, the Interconnection Customer shall have 30 Business Days or another mutually agreeable timeframe to sign and return the interconnection agreement or request that the Transmission Provider file an unexecuted interconnection agreement with the Federal Energy Regulatory Commission. If the Interconnection Customer does not sign the interconnection agreement, or ask that it be filed unexecuted by the Transmission Provider within 30 Business Days, the Interconnection Request shall be deemed withdrawn. After the interconnection agreement is signed by the

Parties, the interconnection of the Small Generating Facility shall proceed under the provisions of the interconnection agreement.

4.9 Coordination with Affected Systems

The Transmission Provider shall coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in these procedures. The Transmission Provider will include such Affected System operators in all meetings held with the Interconnection Customer as required by these procedures. The Interconnection Customer will cooperate with the Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with the Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

4.10 Capacity of the Small Generating Facility

- 4.10.1 If the Interconnection Request is for an increase in capacity for an existing Small Generating Facility, the Interconnection Request shall be evaluated on the basis of the new total capacity of the Small Generating Facility.
- 4.10.2 If the Interconnection Request is for a Small Generating Facility that includes multiple energy production devices at a site for which the Interconnection Customer seeks a single Point of Interconnection, the Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple devices.
- 4.10.3 The Interconnection Request shall be evaluated using the maximum capacity that the Small Generating Facility is capable of injecting into the Transmission Provider's electric system. However, if the maximum capacity that the Small Generating Facility is capable of injecting into the Transmission Provider's electric system is limited (e.g., through use of a control system, power relay(s), or other similar device settings or adjustments), then the Interconnection

Customer must obtain the Transmission Provider's agreement, with such agreement not to be unreasonably withheld, that the manner in which the Interconnection Customer proposes to implement such a limit will not adversely affect the safety and reliability of the Transmission Provider's system. If the Transmission Provider does not so agree, then the Interconnection Request must be withdrawn or revised to specify the maximum capacity that the Small Generating Facility is capable of injecting into the Transmission Provider's electric system without such limitations. Furthermore, nothing in this section shall prevent a Transmission Provider from considering an output higher than the limited output, if appropriate, when evaluating system protection impacts.

Attachment 1

Glossary of Terms

10 kW Inverter Process – The procedure for evaluating an Interconnection Request for a certified inverter-based Small Generating Facility no larger than 10 kW that uses the section 2 screens. The application process uses an all-in-one document that includes a simplified Interconnection Request, simplified procedures, and a brief set of terms and conditions. See SGIP Attachment 5.

Affected System – An electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Business Day – Monday through Friday, excluding Federal Holidays.

Distribution System – The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Fast Track Process – The procedure for evaluating an Interconnection Request for a certified Small Generating Facility that meets the eligibility requirements of section 2.1 and includes the section 2 screens, customer options meeting, and optional supplemental review.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and act which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.

Interconnection Facilities – The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Resource – Any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service – An Interconnection Service that allows the Interconnection Customer to integrate its Generating Facility with the Transmission Provider's System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades – Additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection with the Small Generating Facility to the

Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider's Transmission System.

Queue Position – The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Small Generating Facility – The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Study Process – The procedure for evaluating an Interconnection Request that includes the section 3 scoping meeting, feasibility study, system impact study, and facilities study.

Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission System – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

Upgrades – The required additions and modifications to the Transmission Provider's Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Attachment 2
SMALL GENERATOR INTERCONNECTION REQUEST
(Application Form)

Transmission Provider: _____

Designated Contact Person: _____

Address: _____

Telephone Number: _____

Fax: _____

E-Mail Address: _____

An Interconnection Request is considered complete when it provides all applicable and correct information required below. Per SGIP section 1.5, documentation of site control must be submitted with the Interconnection Request.

Preamble and Instructions

An Interconnection Customer who requests a Federal Energy Regulatory Commission jurisdictional interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the Transmission Provider.

Processing Fee or Deposit:

If the Interconnection Request is submitted under the Fast Track Process, the non-refundable processing fee is \$500.

If the Interconnection Request is submitted under the Study Process, whether a new submission or an Interconnection Request that did not pass the Fast Track Process, the Interconnection Customer shall submit to the Transmission Provider a deposit not to exceed \$1,000 towards the cost of the feasibility study.

Interconnection Customer Information

Legal Name of the Interconnection Customer (or, if an individual, individual's name)

Name: _____

Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Facility Location (if different from above): _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Alternative Contact Information (if different from the Interconnection Customer)

Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Application is for: _____ New Small Generating Facility

_____ Capacity addition to Existing Small Generating Facility

If capacity addition to existing facility, please describe: _____

Will the Small Generating Facility be used for any of the following?

Net Metering? Yes ___ No ___

To Supply Power to the Interconnection Customer? Yes ___ No ___

To Supply Power to Others? Yes ___ No ___

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

(Local Electric Service Provider*)

(Existing Account Number*)

[*To be provided by the Interconnection Customer if the local electric service provider is different from the Transmission Provider]

Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Requested Point of Interconnection: _____

Interconnection Customer's Requested In-Service Date: _____

Small Generating Facility Information

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: ☐ Solar ☐ Wind ☐ Hydro ☐ Hydro Type (e.g. Run-of-River): _____
☐ Diesel ☐ Natural Gas ☐ Fuel Oil ☐ Other (state type) _____

Prime Mover: ☐ Fuel Cell ☐ Recip Engine ☐ Gas Turb ☐ Steam Turb
☐ Microturbine ☐ PV ☐ Other

Type of Generator: ☐ Synchronous ☐ Induction ☐ Inverter

Generator Nameplate Rating: _____ kW (Typical) Generator Nameplate kVAR: _____

Interconnection Customer or Customer-Site Load: _____ kW (if none, so state)

Typical Reactive Load (if known): _____

Maximum Physical Export Capability Requested: _____ kW

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Is the prime mover compatible with the certified protective relay package? ☐ Yes ☐ No

Generator (or solar collector) Manufacturer, Model Name & Number: _____

Version Number: _____

Nameplate Output Power Rating in kW: (Summer) _____ (Winter) _____

Nameplate Output Power Rating in kVA: (Summer) _____ (Winter) _____

Individual Generator Power Factor

Rated Power Factor: Leading: _____ Lagging: _____

Total Number of Generators in wind farm to be interconnected pursuant to this

Interconnection Request: _____ Elevation: _____ Single phase _____ Three phase _____

Inverter Manufacturer, Model Name & Number (if used): _____

List of adjustable set points for the protective equipment or software: _____

Note: A completed Power Systems Load Flow data sheet must be supplied with the Interconnection Request.

Small Generating Facility Characteristic Data (for inverter-based machines)

Max design fault contribution current: _____ Instantaneous or RMS _____ ?

Harmonics Characteristics: _____

Start-up requirements: _____

Small Generating Facility Characteristic Data (for rotating machines)

RPM Frequency: _____

(*) Neutral Grounding Resistor (If Applicable): _____

Synchronous Generators:

Direct Axis Synchronous Reactance, X_d : _____ P.U.

Direct Axis Transient Reactance, X'_d : _____ P.U.

Direct Axis Subtransient Reactance, X''_d : _____ P.U.

Negative Sequence Reactance, X_2 : _____ P.U.

Zero Sequence Reactance, X_0 : _____ P.U.

Small Generator Interconnection Request

KVA Base: _____

Field Volts: _____

Field Amperes: _____

Induction Generators:

Motoring Power (kW): _____

I22t or K (Heating Time Constant): _____

Rotor Resistance, Rr: _____

Stator Resistance, Rs: _____

Stator Reactance, Xs: _____

Rotor Reactance, Xr: _____

Magnetizing Reactance, Xm: _____

Short Circuit Reactance, Xd": _____

Exciting Current: _____

Temperature Rise: _____

Frame Size: _____

Design Letter: _____

Reactive Power Required In Vars (No Load): _____

Reactive Power Required In Vars (Full Load): _____

Total Rotating Inertia, H: _____ Per Unit on kVA Base

Note: Please contact the Transmission Provider prior to submitting the Interconnection Request to determine if the specified information above is required.

Excitation and Governor System Data for Synchronous Generators Only

Provide appropriate IEEE model block diagram of excitation system, governor system and power system stabilizer (PSS) in accordance with the regional reliability council criteria. A PSS may be determined to be required by applicable studies. A copy of the manufacturer's block diagram may not be substituted.

Interconnection Facilities Information

Will a transformer be used between the generator and the point of common coupling?

☐ Yes ☐ No

Will the transformer be provided by the Interconnection Customer? ☐ Yes ☐ No

Transformer Data (If Applicable, for Interconnection Customer-Owned Transformer):

Is the transformer: ☐ single phase ☐ three phase? Size: _____ kVA

Transformer Impedance: _____ % on _____ kVA Base

If Three Phase:

Transformer Primary: _____ Volts ☐ Delta ☐ Wye ☐ Wye Grounded

Transformer Secondary: _____ Volts ☐ Delta ☐ Wye ☐ Wye Grounded

Transformer Tertiary: _____ Volts ☐ Delta ☐ Wye ☐ Wye Grounded

Transformer Fuse Data (If Applicable, for Interconnection Customer-Owned Fuse):

(Attach copy of fuse manufacturer's Minimum Melt and Total Clearing Time-Current Curves)

Manufacturer: _____ Type: _____ Size: _____ Speed: _____

Interconnecting Circuit Breaker (if applicable):

Manufacturer: _____ Type: _____

Load Rating (Amps): _____ Interrupting Rating (Amps): _____ Trip Speed (Cycles): _____

Interconnection Protective Relays (If Applicable):If Microprocessor-Controlled:

List of Functions and Adjustable Setpoints for the protective equipment or software:

	Setpoint Function	Minimum	Maximum
1 .	_____	_____	_____
2 .	_____	_____	_____
3 .	_____	_____	_____
4 .	_____	_____	_____
5 .	_____	_____	_____
6 .	_____	_____	_____

If Discrete Components:

(Enclose Copy of any Proposed Time-Overcurrent Coordination Curves)

Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____

Current Transformer Data (If Applicable):

(Enclose Copy of Manufacturer's Excitation and Ratio Correction Curves)

Manufacturer: _____

Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____

Manufacturer: _____

Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____

Potential Transformer Data (If Applicable):

Manufacturer: _____

Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____

Manufacturer: _____

Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____

General Information

Enclose copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW. Is One-Line Diagram Enclosed?
 ___ Yes ___ No

Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g., USGS topographic map or other diagram or documentation).

Proposed location of protective interface equipment on property (include address if different from the Interconnection Customer's address) _____

Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Available Documentation Enclosed? ___ Yes ___ No

Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable).

Are Schematic Drawings Enclosed? ___ Yes ___ No

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct.

For Interconnection Customer: _____ Date: _____

Attachment 3

Certification Codes and Standards

IEEE1547 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity)

UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems

IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems

NFPA 70 (2002), National Electrical Code

IEEE Std C37.90.1-1989 (R1994), IEEE Standard Surge Withstand Capability (SWC) Tests for Protective Relays and Relay Systems

IEEE Std C37.90.2 (1995), IEEE Standard Withstand Capability of Relay Systems to Radiated Electromagnetic Interference from Transceivers

IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers IEEE Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network Protectors

IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low Voltage (1000V and Less) AC Power Circuits

IEEE Std C62.45-1992 (R2002), IEEE Recommended Practice on Surge Testing for Equipment Connected to Low-Voltage (1000V and Less) AC Power Circuits

ANSI C84.1-1995 Electric Power Systems and Equipment – Voltage Ratings (60 Hertz) IEEE Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms NEMA MG 1-1998, Motors and Small Resources, Revision 3

IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems

NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision 1

Attachment 4

Certification of Small Generator Equipment Packages

- 1.0 Small Generating Facility equipment proposed for use separately or packaged with other equipment in an interconnection system shall be considered certified for interconnected operation if (1) it has been tested in accordance with industry standards for continuous utility interactive operation in compliance with the appropriate codes and standards referenced below by any Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards listed in SGIP Attachment 3, (2) it has been labeled and is publicly listed by such NRTL at the time of the interconnection application, and (3) such NRTL makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its website and by encouraging such information to be included in the manufacturer's literature accompanying the equipment.
- 2.0 The Interconnection Customer must verify that the intended use of the equipment falls within the use or uses for which the equipment was tested, labeled, and listed by the NRTL.
- 3.0 Certified equipment shall not require further type-test review, testing, or additional equipment to meet the requirements of this interconnection procedure; however, nothing herein shall preclude the need for an on-site commissioning test by the parties to the interconnection nor follow-up production testing by the NRTL.
- 4.0 If the certified equipment package includes only interface components (switchgear, inverters, or other interface devices), then an Interconnection Customer must show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and is consistent with the testing and listing specified for this type of interconnection equipment.
- 5.0 Provided the generator or electric source, when combined with the equipment package, is within the range of capabilities for which it was tested by the NRTL, and does not violate the interface components' labeling and listing performed by the NRTL, no further design review, testing or additional equipment on the customer side of the point of common coupling shall be required to meet the requirements of this interconnection procedure.

6.0 An equipment package does not include equipment provided by the utility.

7.0 Any equipment package approved and listed in a state by that state's regulatory body for interconnected operation in that state prior to the effective date of these small generator interconnection procedures shall be considered certified under these procedures for use in that state.

Attachment 5
Application, Procedures, and Terms and Conditions for Interconnecting
a Certified Inverter-Based Small Generating Facility No
Larger than 10 kW ("10 kW Inverter Process")

- 1.0 The Interconnection Customer ("Customer") completes the Interconnection Request ("Application") and submits it to the Transmission Provider ("Company").
- 2.0 The Company acknowledges to the Customer receipt of the Application within three Business Days of receipt.
- 3.0 The Company evaluates the Application for completeness and notifies the Customer within ten Business Days of receipt that the Application is or is not complete and, if not, advises what material is missing.
- 4.0 The Company verifies that the Small Generating Facility can be interconnected safely and reliably using the screens contained in the Fast Track Process in the Small Generator Interconnection Procedures (SGIP). The Company has 15 Business Days to complete this process. Unless the Company determines and demonstrates that the Small Generating Facility cannot be interconnected safely and reliably, the Company approves the Application and returns it to the Customer. Note to Customer: Please check with the Company before submitting the Application if disconnection equipment is required.
- 5.0 After installation, the Customer returns the Certificate of Completion to the Company. Prior to parallel operation, the Company may inspect the Small Generating Facility for compliance with standards which may include a witness test, and may schedule appropriate metering replacement, if necessary.
- 6.0 The Company notifies the Customer in writing that interconnection of the Small Generating Facility is authorized. If the witness test is not satisfactory, the Company has the right to disconnect the Small Generating Facility. The Customer has no right to operate in parallel until a witness test has been performed, or previously waived on the Application. The Company is obligated to complete this witness test within ten Business Days of the receipt of the Certificate of Completion. If the Company does not inspect within ten Business Days or by mutual agreement of the Parties, the witness test is deemed waived.
- 7.0 Contact Information – The Customer must provide the contact information for the legal applicant (i.e., the Interconnection Customer). If another entity is responsible for interfacing with the Company, that contact information must be provided on the Application.

- 8.0 Ownership Information – Enter the legal names of the owner(s) of the Small Generating Facility. Include the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either.
- 9.0 UL1741 Listed – This standard ("Inverters, Converters, and Controllers for Use in Independent Power Systems") addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers submit their equipment to a Nationally Recognized Testing Laboratory (NRTL) that verifies compliance with UL1741. This "listing" is then marked on the equipment and supporting documentation.

Application for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10kW

This Application is considered complete when it provides all applicable and correct information required below. Per SGIP section 1.5, documentation of site control must be submitted with the Interconnection Request. Additional information to evaluate the Application may be required.

Processing Fee

A non-refundable processing fee of \$100 must accompany this Application.

Interconnection Customer

Name: _____

Contact Person: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Contact (if different from Interconnection Customer)

Name: _____

Contact Person: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Owner of the facility (include % ownership by any electric utility): _____

Small Generating Facility Information

Location (if different from above): _____

Electric Service Company: _____

Account Number: _____

Inverter Manufacturer: _____ Model: _____

Nameplate Rating: _____ (kW) _____ (kVA) _____ (AC Volts)

Single Phase _____ Three Phase _____

System Design Capacity: _____ (kW) _____ (kVA)

Prime Mover: _____ Photovoltaic _____ Reciprocating Engine _____ Fuel Cell

_____ Turbine _____ Other (describe) _____

Energy Source: _____ Solar _____ Wind _____ Hydro _____ Diesel _____ Natural Gas

_____ Fuel Oil _____ Other (describe) _____

Is the equipment UL1741 Listed? _____ Yes _____ No

If Yes, attach manufacturer's cut-sheet showing UL1741 listing

Estimated Installation Date: _____ Estimated In-Service Date: _____

The 10 kW Inverter Process is available only for inverter-based Small Generating Facilities no larger than 10 kW that meet the codes, standards, and certification requirements of Attachments 3 and 4 of the Small Generator Interconnection Procedures (SGIP), or the Transmission Provider has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

List components of the Small Generating Facility equipment package that are currently certified:

	Equipment Type	Certifying Entity
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____

Interconnection Customer Signature

I hereby certify that, to the best of my knowledge, the information provided in this Application is true. I agree to abide by the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return the Certificate of Completion when the Small Generating Facility has been installed.

Signed: _____

Title: _____ Date: _____

.....
Contingent Approval to Interconnect the Small Generating Facility

(For Company use only)

Interconnection of the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return of the Certificate of Completion.

Company Signature: _____

Title: _____ Date: _____

Application ID number: _____

Company waives inspection/witness test? Yes___ No___

Small Generating Facility Certificate of Completion

Is the Small Generating Facility owner-installed? Yes _____ No _____

Interconnection Customer: _____

Contact Person: _____

Address: _____

Location of the Small Generating Facility (if different from above): _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Electrician:

Name: _____

Address: _____

Location of the Small Generating Facility (if different from above): _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

License number: _____

Date Approval to Install Facility granted by the Company: _____

Application ID number: _____

Inspection:

The Small Generating Facility has been installed and inspected in compliance with the local building/electrical code of: _____

Signed (Local electrical wiring inspector, or attach signed electrical inspection):

Print Name: _____

Date: _____

As a condition of interconnection, you are required to send/fax a copy of this form along with a copy of the signed electrical permit to (insert Company information below):

Name: _____

Company: _____

Address: _____

City, State ZIP: _____

Fax: _____

.....

Approval to Energize the Small Generating Facility (For Company use only)

Energizing the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

Company Signature: _____

Title: _____ Date: _____

Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

1.0 Construction of the Facility

The Interconnection Customer (the "Customer") may proceed to construct (including operational testing not to exceed two hours) the Small Generating Facility when the Transmission Provider (the "Company") approves the Interconnection Request (the "Application") and returns it to the Customer.

2.0 Interconnection and Operation

The Customer may operate Small Generating Facility and interconnect with the Company's electric system once all of the following have occurred:

- 2.1 Upon completing construction, the Customer will cause the Small Generating Facility to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction, and
- 2.2 The Customer returns the Certificate of Completion to the Company, and
- 2.3 The Company has either:
 - 2.3.1 Completed its inspection of the Small Generating Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be conducted by the Company, at its own expense, within ten Business Days after receipt of the Certificate of Completion and shall take place at a time agreeable to the Parties. The Company shall provide a written statement that the Small Generating Facility has passed inspection or shall notify the Customer of what steps it must take to pass inspection as soon as practicable after the inspection takes place; or
 - 2.3.2 If the Company does not schedule an inspection of the Small Generating Facility within ten business days after receiving the Certificate of Completion, the witness test is deemed waived (unless the Parties agree otherwise); or
 - 2.3.3 The Company waives the right to inspect the Small Generating Facility.
- 2.4 The Company has the right to disconnect the Small Generating Facility in the event of improper installation or failure to return the Certificate of Completion.
- 2.5 Revenue quality metering equipment must be installed and tested in accordance with applicable ANSI standards.

3.0 Safe Operations and Maintenance

The Customer shall be fully responsible to operate, maintain, and repair the Small Generating Facility as required to ensure that it complies at all times with the interconnection standards to which it has been certified.

4.0 Access

The Company shall have access to the disconnect switch (if the disconnect switch is required) and metering equipment of the Small Generating Facility at all times. The Company shall provide reasonable notice to the Customer when possible prior to using its right of access.

5.0 Disconnection

The Company may temporarily disconnect the Small Generating Facility upon the following conditions:

- 5.1 For scheduled outages upon reasonable notice.
- 5.2 For unscheduled outages or emergency conditions.
- 5.3 If the Small Generating Facility does not operate in the manner consistent with these Terms and Conditions.
- 5.4 The Company shall inform the Customer in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection.

6.0 Indemnification

The Parties shall at all times indemnify, defend, and save the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.0 Insurance

The Parties agree to follow all applicable insurance requirements imposed by the state in which the Point of Interconnection is located. All insurance policies must be maintained with insurers authorized to do business in that state.

8.0 Limitation of Liability

Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 6.0.

9.0 Termination

The agreement to operate in parallel may be terminated under the following conditions:

9.1 By the Customer

By providing written notice to the Company.

9.2 By the Company

If the Small Generating Facility fails to operate for any consecutive 12 month period or the Customer fails to remedy a violation of these Terms and Conditions.

9.3 Permanent Disconnection

In the event this Agreement is terminated, the Company shall have the right to disconnect its facilities or direct the Customer to disconnect its Small Generating Facility.

9.4 Survival Rights

This Agreement shall continue in effect after termination to the extent necessary to allow or require either Party to fulfill rights or obligations that arose under the Agreement.

10.0 Assignment/Transfer of Ownership of the Facility

This Agreement shall survive the transfer of ownership of the Small Generating Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies the Company.

Attachment 6 Feasibility Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____
20__ by and between _____,
a _____ organized and existing under the laws of the State of _____,
("Interconnection Customer,") and _____,
a _____ existing under the laws of the State of _____,
("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on _____; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System; and

WHEREAS, Interconnection Customer has requested the Transmission Provider to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed an interconnection feasibility study consistent the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.

- 3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the standard Small Generator Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.
- 5.0 In performing the study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.
- 6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:
 - 6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - 6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - 6.3 Initial review of grounding requirements and electric system protection; and
 - 6.4 Description and non-binding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.
- 7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.

- 8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.
- 9.0 A deposit of the lesser of 50 percent of good faith estimated feasibility study costs or earnest money of \$1,000 may be required from the Interconnection Customer.
- 10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a feasibility study.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.
- 13.0 Governing Law, Regulatory Authority, and Rules
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 14.0 Amendment
The Parties may amend this Agreement by a written instrument duly executed by both Parties.
- 15.0 No Third-Party Beneficiaries
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

16.0 Waiver

16.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

16.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

- 20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
- 20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

21.0 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider] [Insert name of Interconnection Customer]

Signed: _____ Signed: _____

Name (Printed): _____ Name (Printed): _____

Title: _____ Title: _____

**Attachment A to
Feasibility Study Agreement
Assumptions Used in Conducting the Feasibility Study**

The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the scoping meeting held on _____:

- 1) Designation of Point of Interconnection and configuration to be studied.

- 2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Transmission Provider.

Attachment 7 System Impact Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____, a _____ existing under the laws of the State of _____, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a feasibility study and provided the results of said study to the Interconnection Customer (This recital to be omitted if the Parties have agreed to forego the feasibility study.); and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a system impact study(s) to assess the impact of interconnecting the Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed a system impact study(s) consistent with the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.

- 3.0 The scope of a system impact study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 A system impact study will be based upon the results of the feasibility study and the technical information provided by Interconnection Customer in the Interconnection Request. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the system impact study. If the Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the system impact study may be extended.
- 5.0 A system impact study shall consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews, as necessary. A system impact study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. A system impact study shall provide a list of facilities that are required as a result of the Interconnection Request and non-binding good faith estimates of cost responsibility and time to construct.
- 6.0 A distribution system impact study shall incorporate a distribution load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.
- 7.0 Affected Systems may participate in the preparation of a system impact study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment upon a system impact study that covers potential adverse system impacts on their electric systems, and the Transmission Provider has 20 additional Business Days to complete a system impact study requiring review by Affected Systems.

- 8.0 If the Transmission Provider uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the system impact study shall consider all generating facilities (and with respect to paragraph 8.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the system impact study is commenced –
- 8.1 Are directly interconnected with the Transmission Provider's electric system; or
 - 8.2 Are interconnected with Affected Systems and may have an impact on the proposed interconnection; and
 - 8.3 Have a pending higher queued Interconnection Request to interconnect with the Transmission Provider's electric system.
- 9.0 A distribution system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 30 Business Days after this Agreement is signed by the Parties. A transmission system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 45 Business Days after this Agreement is signed by the Parties, or in accordance with the Transmission Provider's queuing procedures.
- 10.0 A deposit of the equivalent of the good faith estimated cost of a distribution system impact study and the one half the good faith estimated cost of a transmission system impact study may be required from the Interconnection Customer.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.
- 13.0 Governing Law, Regulatory Authority, and Rules
 The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

14.0 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

15.0 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

16.0 Waiver

16.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

16.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

21.0 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and

FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider] [Insert name of Interconnection Customer]

Signed: _____ Signed: _____

Name (Printed): _____

Title: _____ Title: _____

**Attachment A to System
Impact Study Agreement
Assumptions Used in Conducting the System Impact Study**

The system impact study shall be based upon the results of the feasibility study, subject to any modifications in accordance with the standard Small Generator Interconnection Procedures, and the following assumptions:

- 1) Designation of Point of Interconnection and configuration to be studied.

- 2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Transmission Provider.

Attachment 8 Facilities Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____
20__ by and between _____,
a _____ organized and existing under the laws of the State of _____,
_____, ("Interconnection Customer,") and
_____, a _____
existing under the laws of the State of _____,
("Transmission Provider"). Interconnection Customer and Transmission Provider each may be
referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility
or generating capacity addition to an existing Small Generating Facility consistent with the
Interconnection Request completed by the Interconnection Customer
on _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility
with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a system impact study and provided the
results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform
a facilities study to specify and estimate the cost of the equipment, engineering, procurement and
construction work needed to implement the conclusions of the system impact study in
accordance with Good Utility Practice to physically and electrically connect the Small
Generating Facility with the Transmission Provider's Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein
the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have
the meanings indicated or the meanings specified in the standard Small Generator
Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause a
facilities study consistent with the standard Small Generator Interconnection Procedures
to be performed in accordance with the Open Access Transmission Tariff.

- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.
- 4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.
- 5.0 The Transmission Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.
- 6.0 A deposit of the good faith estimated facilities study costs may be required from the Interconnection Customer.
- 7.0 In cases where Upgrades are required, the facilities study must be completed within 45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.
- 8.0 Once the facilities study is completed, a draft facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed and the draft facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.
- 9.0 Interconnection Customer may, within 30 Calendar Days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within 15 Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the

Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 4.5 of the standard Small Generator Interconnection Procedures.

- 10.0 Within ten Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.
- 13.0 Governing Law, Regulatory Authority, and Rules
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 14.0 Amendment
The Parties may amend this Agreement by a written instrument duly executed by both Parties.
- 15.0 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

16.0 Waiver

- 16.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- 16.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

- 20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
- 20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

21.0 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider] [Insert name of Interconnection Customer]

Signed _____ Signed _____

Name (Printed): _____ Name (Printed): _____

Title _____ Title _____

Facilities Study Agreement

Data to Be Provided by the Interconnection Customer with the Facilities Study Agreement

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections: _____

Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes _____ No _____

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes _____ No _____
(Please indicate on the one-line diagram).

What type of control system or PLC will be located at the Small Generating Facility?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to Transmission Provider's Transmission System.

Tower number observed in the field. (Painted on tower leg)*:

Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

Is the Small Generating Facility located in Transmission Provider’s service area?

Yes _____ No _____ If No, please provide name of local provider:

Please provide the following proposed schedule dates:

Begin Construction Date: _____

Generator step-up transformers receive back feed power Date: _____

Generation Testing Date: _____

Commercial Operation Date: _____

ATTACHMENT R

**SMALL GENERATOR
INTERCONNECTION AGREEMENT (SGIA)**

(For Generating Facilities No Larger Than 20 MW)

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This Interconnection Agreement ("Agreement") is made and entered into this _____ day of _____, 20__, by _____ ("Transmission Provider"), and _____ ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

Transmission Provider Information

Transmission Provider: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

Interconnection Customer Information

Interconnection Customer: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

Interconnection Customer Application No: _____

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

- 1.1 This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.
- 1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Transmission Provider's Transmission System.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Transmission Provider.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between the Transmission Provider and the Interconnection Customer.

1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 The Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Provider and any Affected Systems.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Transmission Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Provider's Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.
- 1.5.6 The Transmission Provider shall coordinate with all Affected Systems to support the interconnection.
- 1.5.7 The Interconnection Customer shall ensure “frequency ride through” capability and “voltage ride through” capability of its Small Generating Facility. The Interconnection Customer shall enable these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Transmission Provider and any Affected Systems for

a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to section 2.1 of this agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The Small Generating Facility's protective equipment settings shall comply with the Transmission Provider's automatic load-shed program. The Transmission Provider shall review the protective equipment settings to confirm compliance with the automatic load-shed program. The term "ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Provider and any Affected Systems during system disturbances within a range of conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The term "frequency ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Provider and any Affected Systems during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The term "voltage ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Provider and any Affected Systems during system disturbances within a range of under-voltage and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator(s) for the Transmission Provider's Transmission System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the Transmission Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power and Primary Frequency Response

1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all similarly situated synchronous generators in the control area on a comparable basis.

1.8.1.2 Non-Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all similarly situated non-synchronous generators in the control area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

1.8.2 The Transmission Provider is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when the Transmission Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 1.8.1. In addition, if the Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay the Interconnection Customer.

1.8.3 Payments shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced.

1.8.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Small Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Small Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Small Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Small Generating Facility’s real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Small Generating Facility’s real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the Transmission System, Interconnection Customer shall operate the Small Generating Facility consistent with the provisions specified in Sections 1.8.4.1 and 1.8.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities.

1.8.4.1 Governor or Equivalent Controls. Whenever the Small Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that

provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Small Generating Facility's governor or equivalent controls to a minimum whenever the Small Generating Facility is operated in parallel with the Transmission System.

1.8.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Small Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Small Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Small Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

1.8.4.3 Exemptions. Small Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 1.8.4, 1.8.4.1, and 1.8.4.2 of this Agreement. Small Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 1.8.4, but shall be otherwise exempt

from the operating requirements in Sections 1.8.4, 1.8.4.1, 1.8.4.2, and 1.8.4.4 of this Agreement.

1.8.4.4 Electric Storage Resources. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Attachment 5 of its SGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 1.8.4, 1.8.4.1, 1.8.4.2 and 1.8.4.3 of this Agreement. Attachment 5 shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Attachment 5 must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 1.8.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Transmission Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Transmission Provider may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Transmission Provider a written test report when such testing and inspection is completed.

2.1.2 The Transmission Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Transmission Provider of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Transmission Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Transmission Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Transmission Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Transmission Provider's Transmission System without prior written authorization of the Transmission Provider. The Transmission Provider will provide such authorization once the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

2.3.1 Upon reasonable notice, the Transmission Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any

required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Transmission Provider at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Transmission Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Transmission Provider shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Transmission Provider 20 Business Days written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission Provider's Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this

SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.

3.3.4 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.5 The provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions -- "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, the Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Transmission Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Transmission Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the Transmission Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Transmission Provider's Transmission System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Transmission Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Transmission Provider's Transmission System when necessary for routine maintenance, construction, and repairs on the Transmission Provider's Transmission System. The Transmission Provider shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The Transmission Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection

Customer.

3.4.3 Forced Outages

During any forced outage, the Transmission Provider may suspend interconnection service to effect immediate repairs on the Transmission Provider's Transmission System. The Transmission Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Transmission Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Transmission Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Transmission Provider's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Transmission Provider may disconnect the Small Generating Facility. The Transmission Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Transmission Provider before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Transmission Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Transmission Provider's Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

- 4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Transmission Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Transmission Provider.
- 4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Transmission Provider's Interconnection Facilities.
- 4.2 Distribution Upgrades
The Transmission Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

- 5.1 Applicability
No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.
- 5.2 Network Upgrades
The Transmission Provider or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Transmission Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.
- 5.2.1 Repayment of Amounts Advanced for Network Upgrades
The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Transmission Provider and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be paid to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Transmission Provider's Tariff and Affected

System's Tariff for transmission services with respect to the Small Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, the Interconnection Customer, the Transmission Provider, and any applicable Affected System operators may adopt any alternative payment schedule that is mutually agreeable so long as the Transmission Provider and said Affected System operators take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Transmission Provider or any applicable Affected System operators will continue to provide payments to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.

5.2.1.2 If the Small Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Transmission Provider and Affected System operator shall at that time reimburse the Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.

5.3 Special Provisions for Affected Systems

Unless the Transmission Provider provides, under this Agreement, for the repayment of amounts advanced to any applicable Affected System operators for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other

agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Small Generating Facility.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Transmission Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of the Transmission Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Transmission Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Transmission Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Transmission Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Transmission Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Transmission Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Transmission Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Transmission Provider, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Transmission Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Transmission Provider under this Agreement during its term. In addition:

6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Transmission Provider and must specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

7.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Transmission Provider of any such assignment;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Transmission Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Transmission Provider of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as

the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.

7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure

7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six

months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

- 8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Transmission Provider, except that the Interconnection Customer shall show proof of insurance to the Transmission Provider no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 8.2 The Transmission Provider agrees to maintain general liability insurance or self-insurance consistent with the Transmission Provider's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Transmission Provider's liabilities undertaken pursuant to this Agreement.
- 8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and

metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.

- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

- 9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

Article 10. Disputes

10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.

10.3 If the dispute has not been resolved within two Business Days after receipt of the Notice,

either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.

10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.

10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.

10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article 11. Taxes

11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.

11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties, or under article 12.12 of this Agreement.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware

and software is essential to ensure day-to-day reliability and operational security. FERC expects all Transmission Providers, market participants, and Interconnection Customers interconnected to electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the

Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national carrier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

If to the Transmission Provider:

Transmission Provider: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____

 Transmission Provider: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

If to the Transmission Provider:

Transmission Provider: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

Transmission Provider's Operating Representative:

Transmission Provider: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Transmission Provider

Name:

Title:

Date:

For the Interconnection Customer

Name:

Title:

Date:

Attachment 1

Glossary of Terms

Affected System – An electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Business Day – Monday through Friday, excluding Federal Holidays.

Default – The failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.

Distribution System – The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Interconnection Provider, or any Affiliate thereof.

Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small

Glossary of Terms

- 1 -

Generating Facility with the Transmission Provider's Transmission System.

Interconnection Facilities – The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection of the Small Generating Facility with the Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, control area, or the Transmission Provider's requirements, including those set forth in the Small Generator Interconnection Agreement.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider's Transmission System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Tariff – The Transmission Provider or Affected System's Tariff through which open access transmission service and Interconnection Service are offered, as filed with the FERC, and as

Glossary of Terms

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amended or supplemented from time to time, or any successor tariff.

Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission System – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

Upgrades – The required additions and modifications to the Transmission Provider's Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Glossary of Terms

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Attachment 2

**Description and Costs of the Small Generating Facility,
Interconnection Facilities, and Metering Equipment**

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Transmission Provider, or the Transmission Owner. The Transmission Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

Attachment 3

**One-line Diagram Depicting the Small Generating Facility, Interconnection
Facilities, Metering Equipment, and Upgrades**

Milestones

In-Service Date:

Critical milestones and responsibility as agreed to by the Parties:

Milestone/Date	Responsible Party
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(0)	

Agreed to by:

For the Transmission Provider _____ Date _____

For the Transmission Owner (If Applicable) _____ Date _____

For the Interconnection Customer _____ Date _____

Attachment 5

**Additional Operating Requirements for the Transmission Provider's
Transmission System and Affected Systems Needed to Support
the Interconnection Customer's Needs**

The Transmission Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Transmission Provider's Transmission System.

Attachment 6

**Transmission Provider's Description of its Upgrades
and Best Estimate of Upgrade Costs**

The Transmission Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Transmission Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

ATTACHMENT S

Tariff Administrator

WAPA-RMR is the Tariff Administrator as that term is defined in Part 1, Section 1 of the Tariff. WAPA-RMR is the Control Area Operator, the entity responsible for administering the Tariff, and will administer the OASIS on which Basin Electric Power Cooperative's Transmission System is included.

Revision History*

This version of the *pro forma* Open Access Transmission Tariff reflects the following changes:

Date of Last Revision: July 18, 2013	
Order No.	Description of Changes
784	Revised Schedule 3—Regulation and Frequency Response Service (7/18/2013)
764	Revised section 13.8—Scheduling of Firm Point-To-Point Transmission Service (6/22/2012) Revised section 14.6—Scheduling of Non-Firm Point-To-Point Transmission Service (6/22/2012)
1000-A	Revised Attachment K—Transmission Planning Process (5/17/2012)
1000	Revised Attachment K—Transmission Planning Process (7/21/2011)
739	Revised section 23.1—Procedures for Assignment or Transfer of Service (9/20/2010)
890-B	Revised <i>pro forma</i> OATT (6/23/2008)**

* This Revision History is for convenience of reference only, is not a part of this *pro forma* Open Access Transmission Tariff, and shall not limit or otherwise affect the interpretation of this *pro forma* Open Access Transmission Tariff.

** The Order No. 890-B version is used as the baseline.

BASIN ELECTRIC POWER
COOPERATIVE

**~~PRO-FORMA~~ OPEN ACCESS
TRANSMISSION TARIFF**

WESTERN
INTERCONNECTION
TRANSMISSION FACILITIES

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SMALL GENERATOR INTERCONNECTION PROCEDURES

ATTACHMENT R

SMALL GENERATOR INTERCONNECTION AGREEMENT

ATTACHMENT S

TARIFF ADMINISTRATOR

I. COMMON SERVICE PROVISIONS

1 Definitions

1.1 Affiliate:

With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity. A cooperative's members are not considered Affiliates for purposes of this Tariff.

1.2 Ancillary Services:

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

1.3 Annual Transmission Costs:

The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider or modified by the Commission.

1.4 Application:

A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

1.5 Commission:

The Federal Energy Regulatory Commission or FERC.

1.6 Completed Application:

An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit or fee.

1.7 Control Area:

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

1. match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
2. maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
3. maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
4. provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.8 Curtailment:

A reduction in firm or non-firm transmission service in response to a transfer capability or transmission capacity shortage as a result of system reliability conditions.

1.9 Delivering Party:

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

1.10 Designated Agent:

Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.

1.11 Direct Assignment Facilities:

Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

1.12 Eastern Interconnection:

A major alternating-current electrical grid in North America. The Eastern Interconnection reaches from Central Canada eastward to the Atlantic coast (excluding Quebec), south to Florida, and back west to the foot of the Rockies (excluding most of Texas).

1.13 Effective Date:

For Short-Term Firm and Non-Firm Point-To-Point Transmission Service the Effective Date of this Tariff is [effective date granted by the Commission in Docket No. ER19-____-000]. For Long-Term Firm Point-To-Point Transmission Service the Effective Date of this Tariff is [effective date granted by the Commission in Docket No. ER19-____-000]September 22, 2019.

For Network Integration Transmission Service the Effective Date of this Tariff is [effective date granted by the Commission in Docket No. ER19-____-000].

1.142 Eligible Customer:

- i. Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer

under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.

- ii. Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.

1.153 Facilities Study:

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

1.16 Federal Power Marketing Agency:

This term shall include the term “Federal Power Marketing Administration” and have the same definition that is set forth in the Federal Power Act at 16 U.S.C. § 796(19), which defines “Federal power marketing agency” as “any agency or instrumentality of the United States (other than the Tennessee Valley Authority) which sells electric energy[.]”

1.1~~7~~4 Firm Point-To-Point Transmission Service:

Transmission Service under this Tariff that is reserved and/or scheduled

between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

1.1~~85~~ Good Utility Practice:

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

1.1~~96~~ Interruption:

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

1.20~~17~~ Load Ratio Share:

Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff and

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calculated on a rolling twelve month basis.

1.~~2118~~ Load Shedding:

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

1.~~2219~~ Long-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

1.~~2320~~ Native Load Customers:

The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.

1.~~2421~~ Network Customer:

An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

1.~~2522~~ Network Integration Transmission Service:

The transmission service provided under Part III of the Tariff.

1.~~26~~²³ Network Load:

The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery except as provided for in Sections 36 and 37 of the Tariff. Where a Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.

1.~~27~~²⁴ Network Operating Agreement:

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.

1.~~28~~²⁵ Network Operating Committee:

A group made up of representatives from the Network Customer(s), ~~and~~ the Transmission Provider established to coordinate operating criteria and other

(Name of Transmission Provider)

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technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

1.~~29~~26 Network Resource:

Any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

1.~~30~~27 Network Upgrades:

Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

1.~~31~~28 Non-Firm Point-To-Point Transmission Service:

Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.~~32~~29 Non-Firm Sale:

(Name of Transmission Provider) — ~~Open Access Transmission Tariff~~
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An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

1.33 North American Electric Reliability Corporation (NERC):

The organization certified as the Electric Reliability Organization (as defined in 18 C.F.R. § 39.1) as of the Effective Date, or any successor organizations.

1.3430 Open Access Same-Time Information System (OASIS):

The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

1.3531 Part I:

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

1.3632 Part II:

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.3733 Part III:

Tariff Sections 28 through ~~35-37~~ pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.~~38~~34 Parties:

The Transmission Provider and the Transmission Customer receiving service

under the Tariff.

1.~~39~~35 Point(s) of Delivery:

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.~~40~~36 Point(s) of Receipt:

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.~~41~~37 Point-To-Point Transmission Service:

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.~~42~~38 Power Purchaser:

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.~~43~~39 Pre-Confirmed Application:

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.~~4440~~ Receiving Party:

The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

1.~~4541~~ Regional Transmission Group (RTG):

A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

1.~~4642~~ Reserved Capacity:

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.~~4743~~ Service Agreement:

The initial agreement and any amendments or supplements thereto entered

~~(Name of Transmission Provider)~~

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into by the Transmission Customer and the Transmission Provider for service under the Tariff.

1.~~4844~~ Service Commencement Date:

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.~~4945~~ Short-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

1.50 Statutory Load Obligation:

A Federal Power Marketing Agency's power marketing function obligations under Federal law to deliver power and energy from the output of the Federal hydroelectric projects operated by the Department of the Army and the Bureau of Reclamation to loads, which include project use loads, preference power customer loads in a marketing area defined pursuant to a power marketing plan, and other loads required to be served under Federal law.

1.~~5146~~ System Condition:

A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer's Service Agreement.

1.~~5247~~ System Impact Study:

An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-

Point Transmission Service or Network Integration Transmission Service and
(ii) whether any additional costs may be incurred in order to
provide transmission service.

1.53 Tariff:

This Open Access Transmission Tariff.

1.54 Tariff Administrator:

The Tariff Administrator shall administer the Tariff on behalf of Basin Electric
Power Cooperative. The Tariff Administrator is identified on Attachment S.

1.5548 Third-Party Sale:

Any sale for resale in interstate commerce to a Power Purchaser that is not
designated as part of Network Load under the Network Integration
Transmission Service.

1.5649 Transmission Customer:

Any Eligible Customer (or its Designated Agent) that (i) executes a Service
Agreement, or (ii) requests in writing that the Transmission Provider file with
the Commission, a proposed unexecuted Service Agreement to receive
transmission service under Part II of the Tariff. This term is used in the Part I
Common Service Provisions, Schedules 1-6, Schedule 9, and Attachment L
to include customers receiving transmission service under Part II and Part III
of this Tariff.

1.~~5750~~ Transmission Provider:

~~The public utility (or its Designated Agent) Basin Electric Power Cooperative (the Transmission System owner) or the Tariff Administrator~~
that ~~owns,~~ controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff.

1.~~5851~~ Transmission Provider's Monthly Transmission System

Peak: The maximum firm usage of the Transmission Provider's Transmission

~~(Name of Transmission Provider)~~

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System in a calendar month.

1.~~5952~~ Transmission Service:

Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.

1.~~6053~~ Transmission System:

Basin Electric Power Cooperative's entitlement share of the following facilities located in the Western Interconnection: (i) the 345 kV transmission line from the Laramie River Station at Wheatland, Wyoming to the Story substation in Colorado; (ii) the 345 kV transmission line from the Laramie River Station to the Ault substation in Colorado; (iii) the 230 kV transmission line from the Laramie River Station to the Dave Johnston substation in Wyoming; (iv) the 230 kV transmission line from the Laramie River Station to the Stegall substation in Nebraska; (v) the 230 kV transmission line from the Stegall substation to the Sidney substation in Nebraska; and (vi) associated substation facilities. The facilities owned, controlled or operated by the Transmission Provider that

are used to provide transmission service under Part II and Part III of the Tariff.

1.61 Western Area Colorado Missouri (WACM):

The Control Area operator for the Transmission System.

1.62 Western Electricity Coordinating Council (WECC): A regional entity responsible for compliance monitoring and enforcement pursuant to a FERC-approved delegation agreement with NERC and in accordance with WECC's Bylaws, or any successor organizations.

1.63 Western Interconnection:

A major alternating current power grid in North America. The Western Interconnection stretches from Western Canada south to Baja California in Mexico, reaching eastward over the Rockies to the Great Plains. Western Interconnection is comprised of the states of Washington, Oregon, California, Idaho, Nevada, Utah, Arizona, Colorado, Wyoming, portions of Montana, South Dakota, Nebraska, New Mexico and Texas in the United States, the Provinces of British Columbia and Alberta in Canada, and a portion of the Comisión Federal de Electricidad's system in Baja California in Mexico.

2 Initial Allocation and Renewal Procedures

2.1 Initial Allocation of Available Transfer Capability:

For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the ~~effective date of the Tariff~~ Effective Date will be deemed to have been filed simultaneously. A lottery system conducted by an

independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.

2.2 Reservation Priority For Existing Firm Service Customers:

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Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. Service agreements subject to a right of first refusal entered into prior to ~~the date of the~~

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~~Transmission Provider's filing adopting the reformed rollover language herein~~
~~in compliance with Order No. 890]~~the Effective Date or associated with a
transmission service request received prior to ~~July 13, 2007~~the Effective Date,
unless terminated, will become subject to the five year/one year requirement
on the first rollover date after ~~[the date of the Transmission Provider's filing~~
~~adopting the reformed rollover language herein in compliance with Order No.~~
~~890]~~the Effective Date; provided that, the one-year notice requirement shall
apply to such service agreements with five years or more left in their terms as
of the ~~[date of the Transmission Provider's filing~~
~~adopting the reformed rollover language herein in compliance with Order No.~~
~~890]~~Effective Date.

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following

Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Provider is required to provide (or offer to arrange with the local Control Area ~~Operator~~operator as discussed below), to the extent it is physically feasible to do so from its resources or from resources available to it, Generator Imbalance Service when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer using Transmission Service to deliver energy from a generator located within the Transmission Provider's Control Area is required to acquire Generator Imbalance Service, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission

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Provider. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve. The Transmission Provider shall determine whether the Transmission Customer has adequately demonstrated that it has acquired the Ancillary Services from another source. If the Transmission Provider determines that the Transmission Customer is taking Ancillary Services that it has not paid for or otherwise has not made adequate arrangements for Ancillary Services, then the Transmission Provider may impose a penalty equal to 200% of the applicable Ancillary Service charge for the entire length of the reserved period but not exceeding one month.

If the Transmission Provider is a public utility providing transmission service but is not a Control Area operator, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The

Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, 6 and 9) from a third party or by self-supply when technically feasible.

~~The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer.~~

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff.

Three principal requirements apply to discounts for Ancillary Services provided by the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.7 below list the seven Ancillary Services.

3.1 Scheduling, System Control and Dispatch Service:

The rates and/or methodology are described in Schedule 1.

3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service:

The rates and/or methodology are described in Schedule 2.

3.3 Regulation and Frequency Response Service:

Where applicable the rates and/or methodology are described in Schedule 3.

3.4 Energy Imbalance Service:

Where applicable the rates and/or methodology are described in Schedule 4.

3.5 Operating Reserve - Spinning Reserve Service:

Where applicable the rates and/or methodology are described in Schedule 5.

3.6 Operating Reserve - Supplemental Reserve Service:

Where applicable the rates and/or methodology are described in Schedule 6.

3.7 Generator Imbalance Service:

Where applicable the rates and/or methodology are described in Schedule 9.

4 Open Access Same-Time Information System (OASIS)

4.1 Terms and Conditions

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 C.F.R. § 37 of the Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities) and 18 C.F.R. § 38 of the Commission's regulations (Business Practice Standards and Communication Protocols for Public Utilities). In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

The Transmission Provider shall post on OASIS and its public website an electronic link to all rules, standards and practices that (i) relate to the terms and conditions of transmission service, (ii) are not subject to a North American Energy

Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The Transmission Provider shall post on OASIS and on its

public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also post on OASIS and its public website an electronic link to a statement of the process by which the Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are not included in this ~~tariff~~ Tariff. Such process shall set forth the means by which the Transmission Provider shall provide reasonable advance notice to Transmission Customers and Eligible Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that the Transmission Provider deems appropriate.

4.2 Incorporation by Reference of the NAESB Wholesale Electric Quadrant Standards

The current versions of the NAESB Wholesale Electric Quadrant (WEQ) Business Practice Standards incorporated by reference into the Commission's regulations as specified in Part 38 of the Commission's regulations (18 C.F.R. Part 38) are incorporated by reference into this Tariff.

5 Local Furnishing Bonds

5.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds:

This provision is applicable only to Transmission Providers that have financed facilities for the local furnishing of electric energy with tax-exempt bonds, as

described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance the Transmission Provider's facilities that would be used in providing

such transmission service.

5.2 Alternative Procedures for Requesting Transmission Service:

- (i) If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such transmission service, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.
- (ii) If the Eligible Customer thereafter renews its request for the same transmission service referred to in (i) by tendering an application under Section 211 of the Federal Power Act, the Transmission Provider, within ten (10) days of receiving a copy of the Section 211 application, will waive its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act. The Commission, upon receipt of the Transmission Provider's waiver of its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act, shall issue an order under Section 211 of the Federal Power Act. Upon issuance

of the order under Section 211 of the Federal Power Act, the Transmission Provider shall be required to provide the requested transmission service in accordance with the terms and conditions of this Tariff.

6 Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates. A Transmission Customer that is a member of, or takes transmission service from, a power pool, Regional Transmission Group, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization approved by the Commission for the operation of transmission facilities also agrees to provide comparable transmission service to the transmission-owning members of such power pool and Regional Transmission Group, RTO, ISO or other transmission organization on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for

the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

7 Billing and Payment

7.1 Billing Procedure:

Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds

payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

7.2 Interest on Unpaid Balances:

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider.

7.3 Customer Default:

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist.

Upon the occurrence of a default, the Transmission Provider may initiate a proceeding with the Commission to terminate service but shall not terminate

service until the Commission so approves any such request. In the event of a billing dispute between the Transmission Provider and the Transmission

Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

8 Accounting for the Transmission Provider's Use of the Tariff

The Transmission Provider shall record the following amounts, as outlined below.

8.1 Transmission Revenues:

Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of the Tariff.

8.2 Study Costs and Revenues:

Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Transmission Provider conducts to determine if it must construct new transmission facilities or upgrades

necessary for its own uses, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

9 Regulatory Filings

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

10 Force Majeure and Indemnification

10.1 Force Majeure:

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage

or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

10.2 Indemnification:

The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider.

11 Creditworthiness

The Transmission Provider will specify its Creditworthiness procedures in Attachment L.

12 Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures:

Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon] by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

12.2 External Arbitration Procedures:

Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

12.3 Arbitration Decisions:

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement

entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction; provided, however, that final decisions with the Federal Government as one of the parties are nonbinding. Further, notwithstanding any provisions in this Tariff to the contrary, any disputes arising under the Tariff and relating to determinations, decisions, conduct, or actions made or taken by Basin Electric Power Cooperative pursuant to its Tariff shall be subject to binding resolution under this section only to the extent agreed upon by Basin Electric Power Cooperative's board of directors, and subject to the terms and conditions set by Basin Electric Power Cooperative's board of directors. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

12.4 Costs:

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

1. the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
2. one half the cost of the single arbitrator jointly chosen by the Parties.

12.5 Rights Under The Federal Power Act:

Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

13 Nature of Firm Point-To-Point Transmission Service

13.1 Term:

The minimum term of Firm Point-To-Point Transmission Service shall be one day and the maximum term shall be specified in the Service Agreement.

13.2 Reservation Priority:

- (i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has requested service.
- (ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not Pre-Confirmed and that have equal or shorter duration. Among

requests or reservations with the same duration and, as relevant, pre-confirmation status (pre-confirmed, confirmed, or not confirmed), priority will be given to an Eligible Customer's request or reservation that offers the highest price, followed by the date and time of the request or reservation.

- (iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or

earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration, price and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.

- (iv) Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

13.3 Use of Firm Point-To-Point Transmission Service by the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after ~~[insert date sixty (60) days after publication in Federal Register]~~the Effective Date or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements:

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service ~~pursuant to the Tariff~~.

Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and

that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs:

In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with the

Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 15.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Point-To-Point Transmission Service:

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system and the systems directly and indirectly interconnected with Transmission Provider's Transmission System, Curtailments will be made on

a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Point-To-Point Transmission Service. Long-Term Firm Point-to-Point Transmission Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Point-To-Point Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to ~~C~~curtail Firm Point-To-Point Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the

right to ~~E~~curtail, in whole or in part, any Firm Point-To-Point Transmission
Service provided under the Tariff when, in the

Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments. In the event that the Transmission Customer fails to cease or reduce service in response to a directive by the Transmission Provider, the Transmission Customer shall pay any applicable charges and the following penalty (in addition to the charges for all of the firm capacity used): 100% of the Firm Point-To-Point Transmission Service charges under Schedule 7 for the entire length of the reserved period but not exceeding one month. This penalty shall apply only to the portion of the service that the Transmission Customer fails to curtail in response to a Curtailment directive.

13.7 Classification of Firm Point-To-Point Transmission Service:

- (a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.

- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.
- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of

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Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Point-To-Point Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Point-To-Point Transmission Service. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Point-To-Point Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Point-To-Point Transmission Service. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity

under the terms of Schedule 7. The Transmission Customer may
not exceed its

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firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved. In the event that a Transmission Customer (including Third-Party Sales by Basin Electric Power Cooperative) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved, the Transmission Customer shall pay the following penalty (in addition to the applicable charges for all of the firm capacity actually used): 100% of the Firm Point-To-Point Transmission Service charges under Schedule 7 for the period for which the unreserved service was actually used. The charges for the unreserved service shall be based upon the duration of the period when the unreserved capacity was used. For example, (i) one hour shall be billed at

the charge for weekday deliveries; (ii) repeated daily use of unreserved capacity within a seven day period shall increase the duration of the period to a weekly duration; and (iii) multiple instances of unreserved use during more than one seven day period during a calendar month shall increase the duration of the period to a monthly duration. For the amounts exceeding reserved capacity, the Transmission Customer also must purchase losses as required by this Tariff.

13.8 Scheduling of Firm Point-To-Point Transmission Service:

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service will comply with all applicable NERC guidelines and policies and must be submitted to the Transmission Provider no later than 10:00 a.m. ~~[or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider]~~ of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour ~~[or a reasonable increment that is generally accepted in the region and is consistently adhered to by the Transmission Provider]~~. Transmission

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Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes ~~for a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider~~ before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

13.9 Commonly-Owned Facilities:

Notwithstanding any other provision of this Section 13, Firm Point-To-Point Transmission Service provided pursuant to this Tariff shall not adversely affect

the contractual or ownership rights of any entity that owns or operates, jointly with the Transmission Provider, any transmission facilities or facilities included within the Transmission System.

14 Nature of Non-Firm Point-To-Point Transmission Service

14.1 Term:

Non-Firm Point-To-Point Transmission Service will be available for periods

ranging from one (1) hour to one (1) month. However, a Purchaser purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.

14.2 Reservation Priority:

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmation status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A

longer term competing request for Non-Firm Point-To-Point Transmission

Service will be granted if the Eligible Customer with the right of first refusal

does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after ~~[insert date sixty (60) days after publication in Federal Register]~~ the Effective Date or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

(Name of Transmission Provider)

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14.4 Service Agreements:

The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

14.5 Classification of Non-Firm Point-To-Point Transmission Service:

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. ~~The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. In the event that a~~

Transmission Customer (including Third-Party Sales by Basin Electric Power Cooperative) exceeds its non-firm Reserved Capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved, the Transmission Customer shall pay the following penalty (in addition to the applicable charges for all of the firm capacity actually used): 100% of the Non-Firm Point-To-Point Transmission Service charges under Schedule 8 for the duration of the period when the additional service was used as specified below not to exceed one month for the amount in excess of such capacity reservation. The charges for the unreserved service shall be based upon the duration of the period when the unreserved capacity was used. For example, (i) one hour shall be billed at the charge for weekday deliveries; (ii) repeated daily use of unreserved capacity within a seven day period shall increase the duration of the period to a weekly duration; and (iii) multiple instances of unreserved use during more than one seven day period during a calendar month shall increase the duration of the period to a monthly duration. For the amounts exceeding reserved capacity, the Transmission Customer also must purchase losses as required by this Tariff.

Non-Firm Point-To-Point

Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

14.6 Scheduling of Non-Firm Point-To-Point Transmission Service:

Schedules for Non-Firm Point-To-Point Transmission Service will comply with all applicable NERC guidelines and policies and must be submitted to the Transmission Provider no later than 2:00 p.m. ~~[or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider]~~ of the day prior to commencement of such service.

Schedules submitted after 2:00 p.m. will be accommodated, if practicable.

Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour ~~[or a reasonable increment that is generally accepted in the region and is consistently adhered to by the Transmission Provider]~~. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling

changes will be permitted twenty (20) minutes ~~for a reasonable time that is~~
~~generally accepted in the region and is consistently adhered to by~~

~~the Transmission Provider]~~ before the start of the next scheduling interval, provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Service:

The Transmission Provider reserves the right to ~~C~~curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly and indirectly interconnected with Transmission Provider's Transmission System. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. The Transmission Provider reserves the right to

~~I~~interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Point-To-Point Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Point-To-Point Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be ~~C~~urtailed or ~~I~~interrupted before daily non-firm transactions and daily non-firm transactions will be ~~C~~urtailed or ~~I~~interrupted before weekly non-firm transactions).

Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice. In the event that the Transmission Customer fails to cease or reduce service in response to a directive by the Transmission Provider, the Transmission Customer shall pay any applicable charges and the following penalty (in addition to the charges for all of the non-firm capacity used): 100% of the Non-Firm Point-To-Point Transmission Service charge under Schedule 8 for the entire length of the reserved period not to exceed one month for the amount in excess of such capacity reservation. This penalty shall apply only to the portion of the service that the Transmission Customer fails to curtail or interrupt in response to a Curtailment or Interruption directive.

14.8 Commonly-Owned Facilities

Notwithstanding any other provision of this Section 14, Non-Firm Point-To-Point Transmission Service provided pursuant to this Tariff shall not adversely affect the contractual or ownership rights of any entity that owns or operates,

jointly with the Transmission Provider, any transmission facilities or facilities included within the Transmission System.

15 Service Availability

15.1 General Conditions:

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transfer Capability:

A description of the Transmission Provider's specific methodology for assessing available transfer capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study.

15.3 Initiating Service in the Absence of an Executed Service Agreement:

If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the ~~Point To Point~~ Service Agreement, the Transmission Provider shall file with the Commission, within thirty (30) days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted ~~Point To Point~~ Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment:

- (a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due

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diligence to expand or modify its Transmission System to provide the requested Firm Point-To-Point Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

- (b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the

redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting

from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.

- (c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Point-To-Point Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Point-To-Point Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer,
- (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or
- (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per

year of conditional curtailment or changed the System
Conditions.

15.5 Deferral of Service:

The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

15.6 Other Transmission Service Schedules:

Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

15.7 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors ~~are as follows: [To be completed by the Transmission Provider]~~ are set forth in Attachment M.

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers:

Point-To-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:

- (a) The Transmission Customer has pending a Completed Application for service;
- (b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
- (c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider and to effect the delivery from the Transmission Provider to the Transmission Customer or the ultimate wholesale purchaser from the Transmission Customer prior to the time service under Part II of the Tariff commences;
- (d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;

- (e) The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment K; and
- (f) The Transmission Customer has executed a Point-To-Point

Service Agreement or has agreed to receive service pursuant to Section 15.3.

16.2 Transmission Customer Responsibility for Third-Party Arrangements:

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service.

The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

17 Procedures for Arranging Firm Point-To-Point Transmission Service

17.1 Application:

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to: ~~[Transmission Provider Name and Address]~~ Basin Electric Power Cooperative, 1717 East Interstate Avenue, Bismarck, North Dakota, 58503, at least sixty (60) days in advance

of the calendar month in which service is to commence. The Transmission
Provider will consider

requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. ~~Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these~~ This methods will provide a time-stamped record for establishing the priority of the Application.

17.2 Completed Application:

A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving

Parties;

- (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations;
- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Transmission Service;
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for

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service in order to satisfy the minimum transmission
 capacity requirement;

- (ix) A statement indicating that, if the Eligible Customer submits a
 Pre-Confirmed Application, the Eligible Customer will execute a
 Service Agreement upon receipt of notification that the
 Transmission Provider can provide the requested Transmission
 Service; ~~and~~

(x) The Eligible Customer's NERC compliance registry
 identification number;

(xi) The identity and contact number of the Eligible
 Customer's accounts payable personnel; and

(x)(xii) Any additional information required by the
 Transmission Provider's planning process established in
 Attachment K.

The Transmission Provider shall treat this information consistent with the
 standards of conduct contained in Part 37 of the Commission's
 regulations.

17.3 ~~Deposit~~ Processing Fee:

A Completed Application for Firm Point-To-Point Transmission Service also
 shall include a nonrefundable processing fee. Such fee shall be applicable to all

Transmission Customer's request for Firm Point-To-Point Transmission

Service of one year or longer. The processing fee shall be charged as set forth

in Attachment N of this Tariff. This fee does not apply to costs to complete

System Impact Studies or Facilities Study or to add new facilities. A

~~Completed Application for Firm Point-To-Point Transmission Service also~~

~~shall include a deposit of either one month's charge for Reserved Capacity or~~

~~the full charge for Reserved Capacity for service requests of less than one~~

~~month. If the Application is rejected by the Transmission Provider because it~~

~~does not meet the conditions for service as set forth herein, or in the case of~~

~~requests for service arising in connection with losing bidders in a Request For~~

~~Proposals (RFP), said deposit shall be returned with interest less any~~

~~reasonable costs incurred by the Transmission Provider in connection with the~~

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~~review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.~~

17.4 Notice of Deficient Application:

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, ~~along with any deposit, with interest~~. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

17.5 Response to a Completed Application:

Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. Responses by the Transmission

Provider must be made as soon as practicable to all completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

17.6 Execution of Service Agreement:

Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application ~~and any deposit submitted shall be refunded with interest~~. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 Extensions for Commencement of Service:

The Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual

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reservation fee equal to one-month's charge for Firm Point-To-Point Transmission Service for each year or fraction thereof within 15 days of notifying the Transmission Provider it intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Point-To-Point Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

18 Procedures for Arranging Non-Firm Point-To-Point Transmission Service

18.1 Application:

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider.

Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. ~~Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted~~

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~~by (i) transmitting the required information to the Transmission Provider by~~
~~telefax, or (ii) providing the information by telephone over the Transmission~~
~~Provider's time recorded telephone line. Each of these~~ This methods will
 provide a time-stamped record for establishing the service priority of the
 Application.

18.2 Completed Application:

A Completed Application shall provide all of the information included in 18
 C.F.R. § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of
 the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon
 commencement of service, an Eligible Customer under the Tariff;
- (iii) The Point(s) of Receipt and the Point(s) of Delivery;
- (iv) The maximum amount of capacity requested at each Point of
 Receipt and Point of Delivery; ~~and~~
- ~~(v) The Eligible Customer's NERC compliance registry~~
~~identification number;~~
- ~~(vi) The identity and contact number of the Eligible~~
~~Customer's accounts payable personnel; and~~
- ~~(v)~~(vii) The proposed dates and hours for initiating and
 terminating transmission service hereunder.

In addition to the information specified above, when required to properly evaluate system conditions, the Transmission Provider also may ask the Transmission Customer to provide the following:

~~(vi)~~(viii)_____ The electrical location of the initial source of the power to be

transmitted pursuant to the Transmission Customer's request for service; and

~~(x)~~(ix) The electrical location of the ultimate load.

The Transmission Provider will treat this information in ~~(viii)~~ and ~~(viii)~~ as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

~~(xi)~~—A statement indicating that, if the Eligible Customer submits a

(x) Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

18.3 Reservation of Non-Firm Point-To-Point Transmission Service:

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted

no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is

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to commence, and requests for hourly service shall be submitted no earlier than noon the day before service is to commence. Requests for service received later than 2:00 p.m. prior to the day service is scheduled to commence will be accommodated if practicable ~~[or such reasonable times that are generally accepted in the region and are consistently adhered to by the Transmission Provider]~~.

18.4 Determination of Available Transfer Capability:

Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service. ~~[Or such reasonable times that are generally accepted in the region and are consistently adhered to by the Transmission Provider]~~.

19 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests

19.1 Notice of Need for System Impact Study:

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is

needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional ~~curtailment~~ Curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn ~~and its deposit, pursuant to Section 17.3, shall be returned with interest.~~

19.2 System Impact Study Agreement and Cost Reimbursement:

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.
- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section

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19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch, (3) conditional ~~curtailment~~ Curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For ~~customers~~ an Eligible Customer requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System

Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such

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time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as practicable after the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request in writing the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion

of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn ~~and its deposit, pursuant to Section 17.3,~~ shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such

construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement or request in writing the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications:

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.6 Due Diligence in Completing New Facilities:

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

19.7 Partial Interim Service:

If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

19.8 Expedited Procedures for New Facilities:

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to

tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

19.9 Penalties for Failure to Meet Study Deadlines:

Sections 19.3 and 19.4 require a Transmission Provider to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

- (i) The Transmission Provider is required to file a notice with the Commission in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.
- (ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider may provide an explanation in its notification filing to the Commission if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.
- (iii) The Transmission Provider is subject to an operational penalty if

it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the 60-day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the calendar quarter immediately following the quarter that triggered the Transmission Provider's notification filing to the Commission. The operational penalty will continue to be assessed each quarter until the Transmission Provider completes at least ninety (90) percent of all non-Affiliates' System Impact Studies and Facilities Studies within the 60-day deadline.

- (iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to \$500 for each day the Transmission Provider takes to complete that study beyond the 60-day deadline.

20 Procedures if The Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service

20.1 Delays in Construction of New Facilities:

If any event occurs that will materially affect the time for completion of new

facilities, or the ability to complete them, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the Transmission Customer to evaluate any alternatives.

20.2 Alternatives to the Original Facility Additions:

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall

promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

20.3 Refund Obligation for Unfinished Facility Additions:

If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Commission regulations 35.19a(a)(2)(iii). However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

21 Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities

21.1 Responsibility for Third-Party System Additions:

The Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or

distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

21.2 Coordination of Third-Party System Additions:

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may

challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

22 Changes in Service Specifications

22.1 Modifications On a Non-Firm Basis:

The Transmission Customer taking Firm Point-To-Point Transmission Service may request the Transmission Provider to provide transmission service on a non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement ("Secondary Receipt and Delivery Points"), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-To-Point Transmission Service charge or executing a new Service Agreement, subject to the following conditions.

- (a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by the Transmission Provider on behalf of its Native Load Customers.
- (b) The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in

the relevant Service Agreement under which such services are provided.

- (c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.
- (d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the ~~filing submission~~ of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

22.2 Modification On a Firm Basis:

Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any additional ~~deposit~~ Application processing fee if the capacity reservation does not exceed the amount reserved in the existing

Service Agreement. While such new request is pending, the Transmission
Customer shall retain its

priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

23 Sale or Assignment of Transmission Service

23.1 Procedures for Assignment or Transfer of Service:

(a) A Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller.

Compensation to Resellers shall be at rates established by agreement between the Reseller and the Assignee.

(b) The Assignee must execute a service agreement with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. The Transmission Provider shall charge the Reseller, as appropriate, at the rate stated in the Reseller's Service Agreement with the Transmission Provider or the associated OASIS schedule and credit the Reseller with the price reflected in the Assignee's Service Agreement with the Transmission Provider or the associated OASIS schedule; provided that, such credit shall be reversed in the event of non-payment by the Assignee. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition

set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service:

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service:

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In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use the Transmission Provider's OASIS to post transmission capacity available for resale.

24 Metering and Power Factor Correction at Receipt and Delivery Points(s)

24.1 Transmission Customer Obligations:

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the Tariff and to communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer. The Transmission Customer shall inspect its metering equipment for accuracy in registration at least biennially and at its own expense. The Transmission Customer shall also perform meter tests at the request of the Transmission Provider within normal business hours. If any metering equipment test shows the Transmission Customer's metering equipment to not be accurate within +/- 2%, the Transmission Customer shall replace such equipment with accurate equipment or restore the existing equipment to accurate registration at the Transmission Customer's own

expense. If a metering test requested by the Transmission Provider shows the Transmission Customer's equipment to be registering accurately within +/- 2%, the Transmission Provider shall pay the costs of such test. All meter test information shall be submitted to the Transmission Provider.

24.2 Transmission Provider Access to Metering Data:

The Transmission Provider shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.

24.3 Power Factor:

Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to

Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

25 Compensation for Transmission Service

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the Schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

26 Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

27 Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs to the extent consistent with Commission policy.

Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved by redispatching the Transmission Provider's resources to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs to the extent consistent with Commission policy.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the Tariff.

28 Nature of Network Integration Transmission Service

28.1 Scope of Service:

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3. **28.2**

Transmission Provider Responsibilities:

The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transfer capability. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice and Attachment K, endeavor to construct and place into

service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service:

The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

28.4 Secondary Service:

The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II

of the Tariff.

28.5 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are ~~as follows: [To be completed by the Transmission Provider]~~ set forth in Attachment M.

28.6 Restrictions on Use of Service:

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. In the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve its Network Load, it shall pay the penalty set forth in Section 13.7 for the amount of the service used to facilitate the wholesale sale.~~The~~

~~Transmission Provider shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load.~~

29 Initiating Service

29.1 Condition Precedent for Receiving Service:

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement with the Commission, and (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G, or requests in writing that the Transmission Provider file a proposed unexecuted Network Operating Agreement.

29.2 Application Procedures:

An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in

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Section 2, Completed Applications for Network Integration Transmission

Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. ~~Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these~~ This methods will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the party requesting service;
- (ii) The Eligible Customer's NERC compliance registry identification number;
- (i) (iii) The identity and contact number of the Eligible Customer's accounts payable personnel; and

~~(ii)~~ (iv) _____ A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

~~(iii)~~ (v) A description of the Network Load at each delivery point.

This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each

(Name of Transmission Provider)

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Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;

~~(vii)~~ (vi) _____ The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;

~~(viii)~~ (vii) _____ A description of Network Resources (current and 10-year projection). For each on-system Network Resource, such description shall include:

- Unit size and amount of capacity from that unit to be designated as Network Resource

- VAR capability (both leading and lagging) of all generators

(Name of Transmission Provider)

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- Operating restrictions
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost (\$/MWH) for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource;

For each off-system Network Resource, such description shall include:

- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights
- Identification of the control area from which the power will originate

(Name of Transmission Provider)

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- Delivery point(s) to the Transmission Provider's
Transmission System
- Transmission arrangements on the external transmission
system(s)
- Operating restrictions, if any
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system
reliability or contract reasons
- Approximate variable generating cost (\$/MWH) for
redispatch computations;

(viii) ~~(vi)~~ Description of Eligible Customer's transmission system:

- Load flow and stability data, such as real and reactive parts of
the load, lines, transformers, reactive devices and load type,
including normal and emergency ratings of all transmission
equipment in a load flow format compatible with that used by
the Transmission Provider
- Operating restrictions needed for reliability

(Name of Transmission Provider)

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- Operating guides employed by system operators
- Contractual restrictions or committed uses of the
Eligible Customer's transmission system, other than the
Eligible Customer's Network Loads and Resources
- Location of Network Resources described in subsection (v)
above
- 10 year projection of system expansions or upgrades
- Transmission System maps that include any proposed
expansions or upgrades
- Thermal ratings of Eligible Customer's Control Area ties with
other Control Areas;

~~(x)~~ (ix) _____ Service Commencement Date and the term of the
requested Network Integration Transmission Service. The
minimum term for Network Integration Transmission Service is
one year;

~~(xi)~~ (x) A statement signed by an authorized officer from or agent of the
~~Network-Eligible~~ Customer attesting that all of the network
resources listed pursuant to Section 29.2(~~v~~vii) satisfy the following
conditions: (1) the ~~Network-Eligible~~ Customer owns the resource,
has committed to purchase generation pursuant to an executed

contract, or has committed to purchase generation where execution
of a contract is

~~(Name of Transmission Provider)~~ ~~Open Access Transmission Tariff~~
~~Original Sheet No. 105~~

contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program; and

~~(ixxi)~~ Any additional information required of the ~~Transmission~~
Eligible Customer as specified in the Transmission Provider's planning process established in Attachment K.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgement must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application

without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations. Notwithstanding the foregoing, the Transmission Provider may, on a non-discriminatory basis, waive the requirement that a deposit accompany an Application where the Eligible Customer has established its creditworthiness pursuant to Section 11 of this Tariff and is not in default on its obligations under this Tariff as defined in Section 7.3 of this Tariff at the time of the Application. The Transmission Provider will bill the Eligible Customer for any reasonable costs incurred by the Transmission Provider in connection with its review of the Application. Such bill will contain a complete accounting of all costs included.

29.3 Technical Arrangements to be Completed Prior to Commencement of Service:

Network Integration Transmission Service shall not commence until the Transmission Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable

operation of the Transmission System. The Transmission Provider shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

29.4 Network Customer Facilities:

The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection

necessary to reliably deliver capacity and energy from the Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

29.5 Filing of Service Agreement:

The Transmission Provider will file Service Agreements with the Commission in compliance with applicable Commission regulations.

30 Network Resources

30.1 Designation of Network Resources:

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff.

Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the

Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

30.2 Designation of New Network Resources:

The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through the Transmission Provider's OASIS by a request for modification of service pursuant to an Application under Section 29. This request must include a statement that the new network resource satisfies the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) ~~The~~the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. The Network Customer's request will be deemed deficient if it does not include this statement₂, and the Transmission Provider will follow

the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.3 Termination of Network Resources:

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource by providing notification to the Transmission Provider through OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS, and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:

- (i) Effective date and time of temporary termination;
- (ii) Effective date and time of redesignation, following period of temporary termination;
- (iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;
- (iv) Resource description and attestation for redesignating the network

resource following the temporary termination, in accordance with Section 30.2; and

- (v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.4 Operation of Network Resources:

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area

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such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing program, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to changes in the operation of a ~~Transmission Network~~ Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network

Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. In the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-To-Point Transmission

Service, it shall pay the penalty set forth in Section 13.7 for the amount of the service exceeding the Network Resource's designated capacity.The

~~Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary~~

~~service or Point-to-Point Transmission Service.~~

30.5 Network Customer Redispatch Obligation:

As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.

30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider:

The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

30.7 Limitation on Designation of Network Resources:

The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network

Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.

30.8 Use of Interface Capacity by the Network Customer:

There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Network Load.

30.9 Network Customer Owned Transmission Facilities:

The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider, to serve its power and transmission customers. For facilities added by the Network Customer subsequent to the ~~[the effective date of a Final Rule in RM05-25-000]~~Effective Date, the Network Customer shall receive credit for such transmission facilities added if

such facilities are integrated into the operations of the Transmission Provider's facilities;

provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's annual transmission revenue requirement as specified in Attachment H. The eligible Network Customer is only entitled to receive the value of the billing credits netted against but not to exceed the Network Customer's monthly transmission charges. The eligible Network Customer shall not be entitled to additional payments for transmission service sold on its transmission facilities that would otherwise be recoverable by the Transmission Provider under the Tariff. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties. This Section 30.9 does not apply to Network Customer transmission facilities that are reflected in the rates for service under this Tariff.

31 Designation of Network Load

31.1 Network Load:

The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

31.2 New Network Loads Connected With the Transmission Provider: The

Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load

designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with Commission policies.

31.3 Network Load Not Physically Interconnected with the Transmission Provider:

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load except as provided for in Sections 36 and 37 of the Tariff, or (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

31.4 New Interconnection Points:

| To the extent the Network Customer desires to add a new ~~D~~elivery ~~P~~oint or

interconnection point between the Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable.

31.5 Changes in Service Requests:

Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g. the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

31.6 Annual Load and Resource Information Updates:

The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff including, but not limited to, any information provided under section 29.2(~~ixxi~~) pursuant to the Transmission

Provider's planning process in Attachment K. The Network Customer also shall provide the Transmission Provider with timely written notice of material

changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

32 Additional Study Procedures For Network Integration Transmission Service Requests

32.1 Notice of Need for System Impact Study:

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its

Application shall be deemed withdrawn and its deposit shall be returned with interest.

32.2 System Impact Study Agreement and Cost Reimbursement:

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.
- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.

- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

32.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost of redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the

constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as practicable after the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request in writing the filing of an unexecuted Service Agreement, or the Application shall be deemed terminated and withdrawn.

32.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the

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Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades,

and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Service Agreement or request in writing the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

32.5 Penalties for Failure to Meet Study Deadlines:

Section 19.9 defines penalties that apply for failure to meet the 60-day study completion due diligence deadlines for System Impact Studies and Facilities Studies under Part II of the Tariff. These same requirements and penalties apply to service under Part III of the Tariff.

33 Load Shedding and Curtailments

33.1 Procedures:

Prior to the Service Commencement Date, the Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of

responding to contingencies on the Transmission System and on systems directly and indirectly interconnected with Transmission Provider's Transmission System. The Parties will implement such programs during any period when the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

33.2 Transmission Constraints:

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use

of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints:

Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

33.4 Curtailments of Scheduled Deliveries:

If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to ~~Curtail~~implement Curtailments of scheduled deliveries, the Parties shall ~~C~~curtail such schedules in accordance with the Network Operating Agreement or pursuant to the Transmission Loading Relief procedures specified in Attachment J.

33.5 Allocation of Curtailments:

The Transmission Provider shall, on a non-discriminatory basis, ~~C~~curtail the transaction(s) that effectively relieve the constraint. However, to the extent

practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to

their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to ~~€~~curtail schedules to an extent greater than the Transmission Provider would ~~€~~curtail the Transmission Provider's schedules under similar circumstances.

33.6 Load Shedding:

To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.

33.7 System Reliability:

Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to ~~€~~curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly

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interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may ~~C~~curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, ~~or~~ (iii) expedite restoration of service; or (iv) comply with directives of NERC and the reliability coordinator responsible for overseeing the Transmission System. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. ~~The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in~~ In the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures or to cease or reduce service in response to a directive by the Transmission Provider, the Network Customer shall pay any applicable charges and the following penalty (in addition to the charges for all of the service used): For the applicable month, 100% of the Network Integration Transmission Service charge. This penalty shall apply only to the portion of

the service that the Network Customer fails to curtail in response to a
Curtailment directive.

34 Rates and Charges

The Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

34.1 Monthly Demand Charge:

The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the

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Transmission Provider's Annual Transmission Revenue Requirement specified in ~~Schedule Attachment~~ H.

34.2 Determination of Network Customer's Monthly Network Load: The Network Customer's monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with the Transmission Provider under Section 31.3) coincident with the Transmission Provider's Monthly Transmission System Peak.

34.3 Determination of Transmission Provider's Monthly Transmission System Load:

The Transmission Provider's monthly Transmission System load is the Transmission Provider's Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.

34.4 Redispatch Charge:

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

34.5 Stranded Cost Recovery:

The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

34.6 New and Incremental Taxes:

In the event that new sales, excise, or similar taxes (other than taxes based upon or measured by net income) associated with transactions under this Tariff are imposed upon the Transmission Provider, the Network Customer shall pay any amounts necessary to reimburse the Transmission Provider for any amounts payable for such taxes not already recovered through the amounts collected pursuant to Attachment H.

35 Operating Arrangements

35.1 Operation under The Network Operating Agreement:

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

35.2 Network Operating Agreement:

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the

implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data

between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable NERC guidelines ~~of the Electric Reliability Organization (ERO) as defined in 18 CFR 39.1~~, (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable NERC reliability guidelines ~~of the ERO~~. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

~~(Name of Transmission Provider)~~~~Open Access Transmission Tariff
Original Sheet No. 130~~**35.3 Network Operating Committee:**

A Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

Section 36: Co-Supply Arrangement

If a Federal Power Marketing Agency is a Network Customer and designates Network Load on or outside of the Transmission Provider's Transmission System, the amount of that Federal Power Marketing Agency's Network Load shall be based on its Statutory Load Obligations. A Federal Power Marketing Agency's Statutory Load Obligations to its customers are limited because it is not the full-requirements power supplier, except in certain limited cases, and therefore, a Federal Power Marketing Agency generally does not serve the total load at a delivery point. The portion of load that exceeds a Federal Power Marketing Agency's obligation at a delivery point must be served by another Network Customer (Co-Supplier). A Co-Supplier to load in excess of a Federal Power Marketing Agency's Statutory Load Obligations shall be allowed to designate its portion of the total load at a delivery point as Network Load. In such case, that

Co-Supplier's Network Load shall be the total load at each delivery point less any Federal Power Marketing Agency's Statutory Load Obligations.

Section 37: Direct Current Ties

If a Network Customer designates a Network Load or a Network Resource that will be served via a Direct Current (DC) Tie, which interconnects the Western Interconnection and the Eastern Interconnection, then that Network Load or Network Resource shall be limited by the Network Customer's Reserved Capacity across that DC Tie. Further, the delivery point for the Network Load or the receipt point for the Network Resource shall be the western bus of that DC Tie.

|

SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the ~~Transmission Provider (if the Transmission Provider is the~~ Control Area operator) for the Transmission System or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. ~~The charges for Scheduling, System Control and Dispatch Service are to be based on the rates set forth below.~~ To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Western Area Power Administration - Western Area Colorado Missouri (WACM) Control Area is the Control Area operator for the Transmission System.

SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the control area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by ~~the Transmission Provider (if the Transmission Provider is the Control Area operator)~~ for the Transmission System or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. ~~The charges for such service will be~~

~~(Name of Transmission Provider)~~ ~~Open Access Transmission Tariff~~
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~~based on the rates set forth below.~~ To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area operator.

The Western Area Power Administration - Western Area Colorado Missouri
(WACM) Control Area is the Control Area operator for the Transmission System.

SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with ~~the Transmission Provider~~ ~~(or the Control Area operator that performs this function for the Transmission Provider)~~ System. The Transmission ~~Provider~~ Customer must ~~offer~~ purchase this service when the transmission service is used to serve load within ~~its~~ the Control Area for the Transmission System. The Transmission Customer must ~~either~~ purchase this service directly from the Control Area operator, or indirectly from the Transmission Provider, or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon

request by the self-supplying Transmission Customer, the Transmission Provider will share with the

~~(Name of Transmission Provider)~~ ~~Open Access Transmission Tariff~~
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Transmission Customer its reasoning and any related data used to make the determination of whether the Transmission Customer has made alternative comparable arrangements.

~~The amount of and charges for Regulation and Frequency Response Service are set forth below.~~ To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Western Area Power Administration - Western Area Colorado Missouri
(WACM) Control Area is the Control Area operator for the Transmission System.

~~(Name of Transmission Provider)~~

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SCHEDULE 4

Energy Imbalance Service

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission ~~Provider-Customer~~ must ~~offer-purchase~~ this service when the transmission service is used to serve load within ~~its-the~~ Control Area ~~for the~~ Transmission System. The Transmission Customer must ~~either~~ purchase this service directly from the Control Area operator, or indirectly from Transmission Provider, or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly energy imbalances under this Schedule or a penalty for hourly generator imbalances under Schedule 9 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The Transmission Provider shall establish charges for energy imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2

MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted

~~(Name of Transmission Provider)~~ ~~Open Access Transmission Tariff~~
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on a monthly basis and settled financially, at the end of the month, at 100 percent of incremental or decremental cost; (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of incremental cost or 75 percent of decremental cost.

For purposes of this Schedule, incremental cost and decremental cost represent the Transmission Provider's actual average hourly cost of the last 10 MW dispatched for any purpose, e.g., to supply the Transmission Provider's Native Load Customers, correct imbalances, or make off-system sales, based on the replacement cost of fuel, unit heat rates, start-up costs (including any commitment and redispatch costs), incremental operation and maintenance costs, and purchased and interchange power costs and taxes, as applicable.

The Western Area Power Administration - Western Area Colorado Missouri
(WACM) Control Area is the Control Area operator for the Transmission System.

~~(Name of Transmission Provider)~~~~Open Access Transmission Tariff
Original Sheet No. 138~~**SCHEDULE 5****Operating Reserve - Spinning Reserve Service**

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission ~~Provider~~Customer must ~~offer~~ purchase this service when the transmission service is used to serve load within ~~its the~~ Control Area for the Transmission System. The Transmission Customer must ~~either~~ purchase this service directly from the Control Area operator, or indirectly from the Transmission Provider, or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. ~~The amount of and charges for Spinning Reserve Service are set forth below.~~ To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Western Area Power Administration - Western Area Colorado Missouri (WACM) Control Area is the Control Area operator for the Transmission System.

~~(Name of Transmission Provider)~~~~Open Access Transmission Tariff
Original Sheet No. 139~~**SCHEDULE 6****Operating Reserve - Supplemental Reserve Service**

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission ~~Provider~~ Customer must ~~offer~~ purchase this service when the transmission service is used to serve load within ~~its~~ the Control Area for the Transmission System. The Transmission Customer must ~~either~~ purchase this service directly from the Control Area operator, or indirectly from the Transmission Provider, or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. ~~The amount of and charges for Supplemental Reserve Service are set forth below.~~ To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Western Area Power Administration - Western Area Colorado Missouri (WACM) Control Area is the Control Area operator for the Transmission System.

SCHEDULE 7

Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

- 1) **Yearly delivery:** one-twelfth of the demand charge of \$~~13.04~~/KW of Reserved Capacity per year.
- 2) **Monthly delivery:** \$~~1.09~~/KW of Reserved Capacity per month.
- 3) **Weekly delivery:** \$~~0.25~~/KW of Reserved Capacity per week.
- 4) **Daily delivery:** \$~~0.036~~/KW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

- 5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s)

~~(Name of Transmission Provider)~~ ~~Open Access Transmission Tariff~~
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of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

- 6) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

SCHEDULE 8

Non-Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

~~1) — Monthly delivery: \$ /KW of Reserved Capacity per month.~~

~~2) — Weekly delivery: \$ /KW of Reserved Capacity per week.~~

~~3) — Daily delivery: \$ /KW of Reserved Capacity per day.~~

1) Monthly delivery: \$1.09/KW of Reserved Capacity per month.

2) Weekly delivery: \$0.25/KW of Reserved Capacity per week.

3) Daily delivery: \$0.036/KW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

4) Hourly delivery: The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$1.49/MWH. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total

demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

- 5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.
- 6) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

~~(Name of Transmission Provider)~~Open Access Transmission Tariff
Original Sheet No. 144**SCHEDULE 9****Generator Imbalance Service**

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. ~~The Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Control Area.~~ The Transmission Customer must either purchase this service directly from the Control Area operator, or indirectly from the Transmission Provider, or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area ~~Operator~~operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule or a penalty for hourly energy imbalances under Schedule 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The Transmission Provider shall establish charges for generator imbalance based

on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of each month, at 100 percent of incremental or decremental cost, (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled at 125 percent of incremental cost or 75 percent of decremental cost, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW. An intermittent resource, for the limited purpose of this Schedule is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

Notwithstanding the foregoing, deviations from scheduled transactions in order to respond to directives by the Transmission Provider, a balancing authority, or a reliability

~~(Name of Transmission Provider)~~ ~~Open Access Transmission Tariff~~
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coordinator shall not be subject to the deviation bands identified above and, instead, shall be settled financially, at the end of the month, at 100 percent of incremental and decremental cost. Such directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.

For purposes of this Schedule, incremental cost and decremental cost represent the Transmission Provider's actual average hourly cost of the last 10 MW dispatched for any purpose, e.g., to supply the Transmission Provider's Native Load Customers, correct imbalances, or make off-system sales, based on the replacement cost of fuel, unit heat rates, start-up costs (including any commitment and redispatch costs), incremental operation and maintenance costs, and purchased and interchange power costs and taxes, as applicable.

The Western Area Power Administration - Western Area Colorado Missouri
(WACM) Control Area is the Control Area operator for the Transmission System.

~~(Name of Transmission Provider)~~ ~~Open Access Transmission Tariff~~
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ATTACHMENT A

Form Of Service Agreement For Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ ("Transmission Customer").
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit-processing fee in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 The Transmission Customer agrees to pay any incremental or new taxes as provided for in Section 34.6 of the Tariff.

76.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

(Name of Transmission Provider)

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Transmission Provider:

Transmission Customer:

87.0 The Tariff is incorporated herein and made a part hereof.

9.0 Charges for Service: Charges for Firm Point-To-Point Transmission Service shall be calculated in accordance with Schedule 7 attached hereto and made a part of this Service Agreement.

10.0 Transmission capacity: Due to the nature of the MBPP, the total transmission capacity of Basin Electric's Transmission System may vary. As a result:

- a. If there is a reduction in total transmission capacity, the reservation under this Service Agreement will be reduced in accordance with the NERC transmission service reservation priorities, as follows:
 - i. First, Non-Firm Point-to-Point Transmission Service
 - ii. Second, Short-Term Firm Point-to-Point Transmission Service
 - iii. Third, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service

If there are multiple reservations within each category, the shortest term reservation will be reduced first. For Long-Term Firm Point-to-Point

Transmission Service and Network Integration Transmission Service, all reservations will be reduced pro rata.

b. If there is an increase in total transmission capacity, Transmission Customers and Network Customers will have the opportunity to increase the reservation under this Service Agreement in accordance with the NERC transmission service reservation priorities, as follows:

- i. First, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service
- ii. Second, Short-Term Firm Point-to-Point Transmission Service
- iii. Third, Non-Firm Point-to-Point Transmission Service

For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, if more than one customer desires to increase its reservation, the reservations will be increased pro rata. If there are multiple reservations within the second or third categories, the Transmission Customer with the longest term reservation will be given the first opportunity to increase its reservation.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By:

Name

Title

Date

Transmission Customer:

By:

Name

Title

Date

Specifications For Long-Term Firm Point-To-Point
Transmission Service

- 1.0

Term of Transaction: _____

Start Date: _____

Termination Date: _____
- 2.0

Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

- 3.0

Point(s) of Receipt: _____

Delivering Party: _____
- 4.0

Point(s) of Delivery: _____

Receiving Party: _____
- 5.0

Maximum amount of capacity and energy to be transmitted (Reserved Capacity): _____
- 6.0

Designation of party(ies) subject to reciprocal service obligation: _____

- 7.0

Name(s) of any Intervening Systems providing transmission service: _____

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge:

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge:

8.4 Ancillary Services Charges:

ATTACHMENT A-1

**Form Of Service Agreement For
The Resale, Reassignment Or Transfer Of
Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (the Assignee).
- 2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee, to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.
- 4.0 The Transmission Provider shall credit the Reseller for the price reflected in the Assignee's Service Agreement or the associated OASIS schedule.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Assignee:

6.0 The Tariff is incorporated herein and made a part hereof.

7.0 Transmission capacity: Due to the nature of the MBPP, the total transmission capacity of Basin Electric’s Transmission System may vary. As a result:

- a. If there is a reduction in total transmission capacity, the reservation under this Service Agreement will be reduced in accordance with the NERC transmission service reservation priorities, as follows:
- i. First, Non-Firm Point-to-Point Transmission Service

ii. Second, Short-Term Firm Point-to-Point Transmission Service

iii. Third, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service

If there are multiple reservations within each category, the shortest term reservation will be reduced first. For Long-Term Firm Point-to-Point

Transmission Service and Network Integration Transmission Service, all reservations will be reduced pro rata.

b. If there is an increase in total transmission capacity, Transmission Customers and Network Customers will have the opportunity to increase the reservation under this Service Agreement in accordance with the NERC transmission service reservation priorities, as follows:

- i. First, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service
- ii. Second, Short-Term Firm Point-to-Point Transmission Service
- iii. Third, Non-Firm Point-to-Point Transmission Service

For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, if more than one customer desires to increase its reservation, the reservations will be increased pro rata. If there are multiple reservations within the second or third categories, the Transmission Customer with the longest term reservation will be given the first opportunity to increase its reservation.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name Title Date

Assignee:

By: _____
Name Title Date

Specifications For The Resale, Reassignment Or Transfer of
Long-Term Firm Point-To-Point Transmission Service

- 1.0

Term of Transaction: _____

Start Date: _____

Termination Date: _____
- 2.0

Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

- 3.0

Point(s) of Receipt: _____

Delivering Party: _____
- 4.0

Point(s) of Delivery: _____

Receiving Party: _____
- 5.0

Maximum amount of reassigned capacity: _____
- 6.0

Designation of party(ies) subject to reciprocal service obligation: _____

- 7.0

Name(s) of any Intervening Systems providing transmission service:

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge:

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge:

8.4 Ancillary Services Charges:

9.0 Name of Reseller of the reassigned transmission capacity:

ATTACHMENT B

Form Of Service Agreement For Non-Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

~~(Name of Transmission Provider)~~

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Transmission Provider:

Transmission Customer:

7.0 The Tariff is incorporated herein and made a part hereof.

8.0 Charges for Service: Charges for Firm Point-To-Point Transmission Service shall be calculated in accordance with Schedule 7 attached hereto and made a part of this Service Agreement.

9.0 Transmission capacity: Due to the nature of the MBPP, the total transmission capacity of Basin Electric's Transmission System may vary. As a result:

- a. If there is a reduction in total transmission capacity, the reservation under this Service Agreement will be reduced in accordance with the NERC transmission service reservation priorities, as follows:
 - i. First, Non-Firm Point-to-Point Transmission Service
 - ii. Second, Short-Term Firm Point-to-Point Transmission Service
 - iii. Third, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service

If there are multiple reservations within each category, the shortest term reservation will be reduced first. For Long-Term Firm Point-to-Point

Transmission Service and Network Integration Transmission Service, all reservations will be reduced pro rata.

b. If there is an increase in total transmission capacity, Transmission Customers and Network Customers will have the opportunity to increase the reservation under this Service Agreement in accordance with the NERC transmission service reservation priorities, as follows:

- i. First, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service
- ii. Second, Short-Term Firm Point-to-Point Transmission Service
- iii. Third, Non-Firm Point-to-Point Transmission Service

For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, if more than one customer desires to increase its reservation, the reservations will be increased pro rata. If there are multiple reservations within the second or third categories, the Transmission Customer with the longest term reservation will be given the first opportunity to increase its reservation.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By:

Name

Title

Date

Transmission Customer:

By:

Name

Title

Date

~~(Name of Transmission Provider)~~~~Open Access Transmission Tariff~~~~Original Sheet No. 157~~**ATTACHMENT C****Methodology To Assess Available Transfer Capability**

- (1) Detailed description of the specific mathematical algorithm used to calculate firm and non-firm Available Transfer Capability (“ATC”) for scheduling, operating and planning horizons.

Scheduling Horizon

a. Firm ATC = TTC – TRM – ETC

b. Non-Firm ATC = TTC – TRM*Coef – ETC

Operating Horizon

a. Firm ATC = TTC – TRM – ETC

b. Non-Firm ATC = TTC – TRM*Coef – ETC

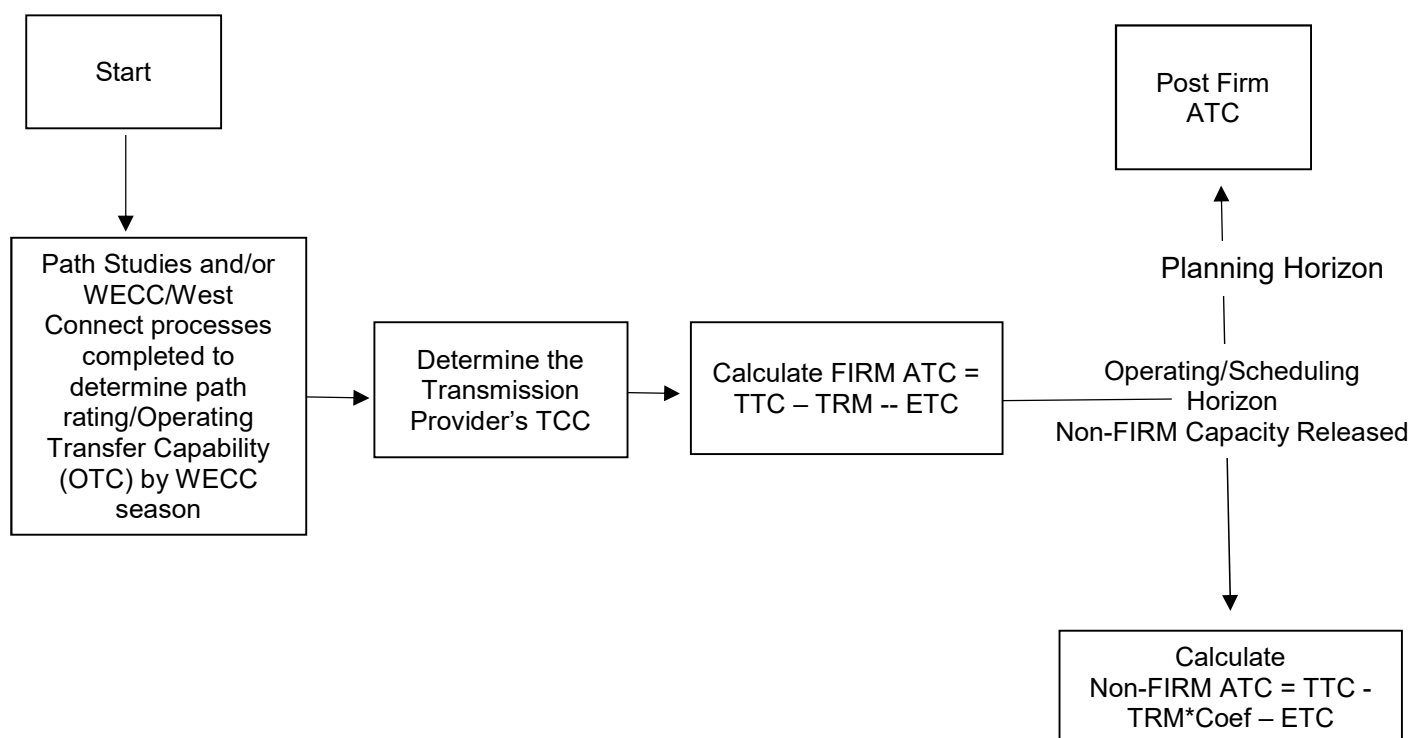
Planning Horizon

a. Firm ATC = TTC -- TRM - ETC

b. Non-Firm ATC = TTC - ETC

The Transmission Provider’s ATC algorithms are also available on the Transmission Provider’s OASIS website.

- (2) A process flow diagram that illustrates the various steps through which ATC/AFC is calculated



(3) Detailed explanation of how each of the ATC components is calculated for both the operating and planning horizons

a. For TTC:

i. Definition of TTC:

Total Transfer Capability (TTC): The amount of electric power that can be transferred over a specific path within the Transmission Provider's interconnected transmission network in a reliable manner while meeting all of a specific set of defined pre- and post- contingency system conditions. TTC is a variable quantity, dependent upon operating conditions in the near term and forecasted conditions in the long term. TTC shall be calculated consistent with the requirements of FERC, NERC, and WECC as needed to represent system conditions, but no less frequently than seasonally. TTC cannot exceed the path rating.

ii. TTC calculation methodology.

- For transmission facilities that will affect the Western Interconnection, the determination of TTC is accomplished through the WECC Path Rating Process. The Transmission Provider follows the ATC methodology adopted by WECC and presented in the WECC Document Determination of

Available Transfer Capability Within the Western Interconnection. Seasonal Operating Transfer Capability (OTC) studies are completed to determine the limit at which a transmission path can be operated at and still meet reliability requirement under an N-1 (single contingency) condition. The study results are reviewed and approved through WECC Operating Transfer Capability Planning Committee (OTCPC) regional processes.

- TTC is determined either prior to a new transmission component being brought into service or when a modification to a transmission component would affect the TTC.
- Once the TTC determination is made, it remains fixed and changes only if there is a physical or operational change to the transmission system or a transmission component which requires a change to TTC.
- When transmission facilities are jointly owned, the capacity is allocated among the owners based on the joint ownership or participation agreement; therefore, the TTC of the jointly owned facilities will be based upon the capacity allocated to each Transmission Provider.
- If a WECC defined path must be separated into components to properly allow for the commercial use of the path and its components, the components' TTCs will be based on the same studies used to determine the path OTC or the thermal rating of the components. The sum of the components' TTCs will not exceed the path OTC.
- For internal constraints, the net of local load and local generation may be used to determine TTC and/or ATC.
- Narratives explaining changes to monthly and/or yearly TTC are posted on the Transmission Provider's OASIS.

iii. List of databases used in TTC assessments:

The Transmission Provider utilizes the NERC and WECC contract path methodology to determine TTC on its Transmission System. The determination of the TTC for paths on the Transmission System is segment dependent. However, the tools used to determine TTC is the same for all segments, i.e., the GE PSLE

powerflow and stability programs using system modeling data obtained through WECC.

iv. Assumptions used in TTC assessments:

Paths with established transfer capabilities will not be evaluated unless there is a valid reason for doing so, such as a component change or new configuration, which could affect the transfer capability. Should a change in a WECC rated path warrant restudying, the required studies for the path will be performed through the WECC Path Rating Process. Should a change in a non-WECC rated path warrant restudying, the required studies for the path will follow the WECC rated path methodology, but not be brought through the WECC Path Rating Process. However, the study process will be performed through the applicable regional or subregional planning group.

b. For ETC:

i. Definition of ETC.

Existing Transmission Commitments (ETC): ETC is transmission that is already committed for use.

There are four types of committed uses: 1) native load uses; 2) existing commitments for purchase/exchange/deliveries/sales; 3) existing commitments for transmission service (Pre-FERC Order No. 888, Post-FERC Order No. 888, Point-to-Point and Network); and 4) other pending potential uses of transfer capability (non-confirmed transmission service requests). The Transmission Provider determines ETC as the total of all contracts using a contract path methodology.

ii. Explanation of calculation methodology used to determine the transmission capacity to be set aside for Native Load Customers and non-Tariff customers:

The Transmission Provider shall determine the impact of firm ETCs based on the following inputs:

- The transmission capability utilized in serving congressionally mandated power deliveries to any preference customers from the Federally owned generating plants.

- The impact of firm Network Integration Transmission Service serving load, to include load forecast error and losses not otherwise included in TRM.
- The impact of grandfathered firm transmission service agreements and bundled contracts for energy and transmission, where executed prior to the Effective Date.
- The impact of Firm Point-to-Point Transmission Service.
- The impact of any Ancillary Services not otherwise included in TRM.
- Post-backs of redirected or released firm services.
- The impact of any other services, contracts, or agreements not specified above using transmission that serves preference customers or Network Integration Transmission Service customers.

iii. How Point-to-Point Transmission Service requests are incorporated.

Point-to-Point service agreements are modeled using the specified megawatt quantity, Point of Receipt, Point of Delivery, and contract term.

iv. How rollover rights are accounted for:

The Transmission Provider takes into consideration an existing Transmission Customer's rollover rights when assessing whether to confirm a new request for Long-Term Firm Point-to-Point Transmission Service. The Transmission Provider posts on OASIS potentially available ATC, including capacity associated with the rollover rights, but it does not grant new transmission service until such rollover rights have expired. This approach allows a customer viewing the Transmission Provider's posted ATC to consider all potentially available ATC and submit a request to obtain a queue position, should the existing Transmission Customer allow its rollover rights to expire. An OASIS assignment reference and queue time will be given to these new requestors. The new requests will be evaluated with the assumption that the existing Transmission Customer's rollover rights will rollover. If there is insufficient capacity to accommodate the transmission service request, the requests will follow the system impact study procedure outlined in section 19 of the Tariff.

v. Processes for ensuring that non-firm capacity is released properly:

The Transmission Provider uses an offset value to account for unused transmission capacity which has not been scheduled (tagged) including the impact of netting schedules in the opposite direction. A portion of the unused capacity is added to the non-firm ATC formula, thus increasing the ATC posting on OASIS. Due to the uncertain nature of this process and to prevent over-posting and subsequent curtailment of schedules, the Transmission Provider uses larger value of offset for the immediate hours than several hours in the future.

-
- c. If a Transmission Provider uses an AFC methodology to calculate ATC, it shall: (i) explain its definition of AFC; (ii) explain its AFC calculation methodology, (iii) explain its process for converting AFC into ATC for OASIS posting, (iv) list the databases used in its AFC assessments; and (v) explain the assumptions used in its AFC assessments regarding load levels, generation dispatch, and modeling of planned and contingency outages.

The Transmission Provider does not use an AFC methodology to calculate ATC.

d. For TRM:

i. Definition of TRM:

Transmission Reliability Margin (TRM): The amount of transmission transfer capability necessary to provide reasonable assurance that the interconnected transmission network will be secure, TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change.

ii. TRM calculation methodology:

The Transmission Provider currently reserves TRM to support the activation of operating reserves via participation in Rocky Mountain Reserve Sharing Group and/or Southwest Reserve Sharing Group. The Transmission Provider's obligation to deliver reserves is calculated at a minimum of twice a year by the Reserve Sharing Group. In addition, the Transmission Provider may include an additional transmission capacity to account for its Network Customers' load forecast error and at certain paths to account for unscheduled flow.

iii. Databases used in TRM assessments:

The Transmission Provider uses a value between 0 to 1 for TRM Coefficient to release a portion of the capacity reserved under TRM as non-firm. The Transmission Provider uses its scheduling system, PI, and SCADA, WECC bases cases, and PSS E or GE PSLF in its calculation of TRM.

iv. Conditions under which the Transmission Provider uses TRM:

The Transmission Provider may use TRM for any of the following:

- Transmission necessary for the activation of operating reserves;
- Unplanned transmission outages;
- Simultaneous limitations associated with operating under a nomogram;
- Loading variations due to balancing of generation and load;
- Uncertainty in load distribution and/or load forecast;
- Allowanced for unscheduled flow.

e. For CBM:

i. Identification of the entity who performs the resource adequacy for CBM determination:

The Transmission Provider does not utilize CBM.

ii. The methodology used to perform the generation reliability assessment:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

iii. Explanation of whether the assessment method reflects a specific regional practice:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

iv. Assumptions used in this assessment:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

v. Basis for the selection of paths on which CBM is set aside:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

f. Additionally for CBM:

i. Explain definition of CBM:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

ii. List of databases used in CBM calculations:

The Transmission Provider does not use any databases in its CBM calculation,

iii. Demonstration that there is no double-counting of outages when performing CBM, TTC and TRM calculations:

Since the Transmission Provider has established CBM as zero on all transmission paths, the Transmission Provider cannot double count for outages.

g. Procedures for allowing use of CBM during emergencies (with explanation of what constitutes an emergency, entities that are permitted to use CBM during emergencies and procedure which is followed by the Transmission Provider's merchant function and other load-serving entities when they need to access CBM:

At this time, the Transmission Provider's Network Customers have not requested CBM set aside, therefore the Transmission Provider does not have CBM set aside.

~~The Transmission Provider must include, at a minimum, the following information concerning its ATC calculation methodology:~~

~~(1) — A detailed description of the specific mathematical algorithm used to calculate firm and non-firm ATC (and AFC, if applicable) for its scheduling horizon (same day and real-time), operating horizon (day-ahead and pre-schedule) and planning horizon (beyond the operating horizon);~~

~~(2) — A process flow diagram that illustrates the various steps through which ATC/AFC is calculated; and~~

~~(3) A detailed explanation of how each of the ATC components is calculated for both the operating and planning horizons.~~

~~(a) For TTC, a Transmission Provider shall: (i) explain its definition of TTC; (ii) explain its TTC calculation methodology; (iii) list the databases used in its TTC assessments; and (iv) explain the assumptions used in its TTC assessments regarding load levels, generation dispatch, and modeling of planned and contingency outages.~~

~~(b) For ETC, a transmission provider shall explain: (i) its definition of ETC; (ii) the calculation methodology used to determine the transmission capacity to be set aside for native load (including network load), and non-OATT customers (including, if applicable, an explanation of assumptions on the selection of generators that are modeled in service); (iii) how point-to-point transmission service requests are incorporated; (iv) how rollover rights are accounted for; (v) its processes for ensuring that non-firm capacity is released properly (e.g., when real-time schedules replace the associated transmission service requests in its real-time calculations); and (vi) describe the step-by-step modeling study methodology and criteria for adding or eliminating flowgates (permanent and temporary).~~

~~(c) If a Transmission Provider uses an AFC methodology to calculate ATC, it shall: (i) explain its definition of AFC; (ii) explain its AFC calculation methodology; (iii) explain its process for converting AFC into ATC for OASIS posting; (iv) list the databases used in its AFC assessments; and (v) explain the assumptions used in its AFC assessments regarding load levels, generation dispatch, and modeling of planned and contingency outages.~~

~~(Name of Transmission Provider)~~

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~~(d) For TRM, a Transmission Provider shall explain: (i) its definition of TRM; (ii) its TRM calculation methodology (e.g., its assumptions on load forecast errors, forecast errors in system topology or distribution factors and loop flow sources); (iii) the databases used in its TRM assessments; (iv) the conditions under which the transmission provider uses TRM. A Transmission Provider that does not set aside transfer capability for TRM must so state.~~

~~(e) For CBM, the Transmission Provider shall state include a specific and self-contained narrative explanation of its CBM practice, including: (i) an identification of the entity who performs the resource adequacy analysis for CBM determination; (ii) the methodology used to perform generation reliability assessments (e.g., probabilistic or deterministic); (iii) an explanation of whether the assessment method reflects a specific regional practice; (iv) the assumptions used in this assessment; and (v) the basis for the selection of paths on which CBM is set aside.~~

~~(f) In addition, for CBM, a Transmission Provider shall: (i) explain its definition of CBM; (ii) list the databases used in its CBM calculations; and (iii) demonstrate that there is no double counting of contingency outages when performing CBM, TTC, and TRM calculations.~~

~~The Transmission Provider shall explain its procedures for allowing the use of CBM during emergencies (with an explanation of what constitutes an emergency, the entities that are permitted to use CBM during emergencies and the procedures which must be followed by the transmission providers' merchant function and other load-serving entities when they need to access CBM). If the Transmission Provider's practice is not to set aside transfer capability for CBM, it shall so state.~~

(Name of Transmission Provider)

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ATTACHMENT D

Methodology for Completing a System Impact Study

To be filed by the Transmission Provider Upon receipt of a valid request for service pursuant to the applicable terms and conditions of the Tariff, the Transmission Provider will perform a System Impact Study on a non-discriminatory basis for the requested transmission service. The study will employ Good Utility Practice, the engineering and operating principles, standards, guidelines, and criteria of the Transmission Provider, and applicable guidelines and standards established by the NERC, WECC, and any entity that has been authorized to promulgate or apply regional or national reliability planning standards (such as a regional transmission group), or any similar organization that may exist in the future of which the Transmission Provider is a member.

The Transmission Provider shall use its sole discretion as to the scope, details and methods used to perform the System Impact Study. However, at all times, the Transmission Provider will utilize methods and criteria consistent with those employed by the Transmission Provider for evaluating requirements for its Native Load Customers. Where possible, the Transmission Provider will utilize existing studies to evaluate new or upgraded service requests.

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ATTACHMENT E

Index Of Point-To-Point Transmission Service Customers

~~Date of~~
~~Customer~~ ~~Service Agreement~~

<u>Customer</u>	<u>Date of service Agreement</u>
<u>Public Service Company of Colorado</u>	<u>10/1/2000</u>
<u>Tri-State Generation and Transmission Association, Inc.</u>	<u>2/13/2002</u>
<u>Aquila, Inc. d/b/a Aquila Networks</u>	<u>8/8/2002</u>
<u>Aquila, Inc. d/b/a Aquila Networks-WPC</u>	<u>8/8/2002</u>
<u>Aquila, Inc. d/b/a Aquila Networks-WPK</u>	<u>8/8/2002</u>
<u>Black Hills Generation</u>	<u>9/9/2002</u>
<u>Black Hills Power</u>	<u>9/9/2002</u>
<u>Cargill Power Markets, LLC</u>	<u>1/30/2003</u>
<u>Morgan Stanley Capital Group, Inc.</u>	<u>2/24/2003</u>
<u>PacifiCorp</u>	<u>6/13/2005</u>
<u>Western Area Power Administration - Loveland Area Projects Marketing (LAP)</u>	<u>9/23/2008</u>
<u>Western Area Power Administration - Loveland Area Projects Marketing (LAP)</u>	<u>9/23/2008</u>
<u>Tenaska Power Services Co.</u>	<u>4/1/2010</u>

<u>Tenaska Power Services Co.</u>	<u>4/1/2010</u>
<u>Black Hills Power as a designated agent for Black Hills/Colorado Electric Utility Co., LP</u>	<u>11/29/2010</u>
<u>Black Hills Power as a designated agent for Black Hills/Colorado Electric Utility Co., LP</u>	<u>11/29/2010</u>
<u>EDF Trading North America, LLC</u>	<u>11/29/2010</u>
<u>EDF Trading North America, LLC</u>	<u>11/29/2010</u>
<u>Powerex Corp.</u>	<u>2/24/2011</u>
<u>Kansas Energy LLC</u>	<u>3/10/2011</u>
<u>Kansas Energy LLC</u>	<u>3/10/2011</u>
<u>Rainbow Energy Marketing Corporation</u>	<u>6/7/2011</u>
<u>Rainbow Energy Marketing Corporation</u>	<u>6/7/2011</u>
<u>PPL EnergyPlus, LLC, Registered with North American Electric Reliability Corporation as EPLU</u>	<u>8/15/2014</u>
<u>PPL EnergyPlus, LLC, Registered with North American Electric Reliability Corporation as EPLU</u>	<u>8/15/2014</u>
<u>Municipal Energy Agency of Nebraska, registered with North American Electric Reliability Corporation as MEANMN</u>	<u>11/21/2014</u>
<u>Municipal Energy Agency of Nebraska, registered with North American Electric Reliability Corporation as MEANMN</u>	<u>11/21/2014</u>
<u>Canadian Wood Products-Montreal Inc., registered with the North American Electric Reliability Corporation as CWPE01</u>	<u>1/7/2016</u>
<u>Canadian Wood Products-Montreal Inc., registered with the North American Electric Reliability Corporation as CWPE01</u>	<u>1/7/2016</u>
<u>Westar Energy, Inc., registered with North American Electric Reliability Corporation as WRGS</u>	<u>1/12/2016</u>

<u>Westar Energy, Inc., registered with North American Electric Reliability Corporation as WRGS</u>	<u>1/12/2016</u>
<u>ETC Endure Energy, LLC., registered with North American Electric Reliability Corporation as ENDU</u>	<u>8/14/2017</u>
<u>ETC Endure Energy, LLC., registered with North American Electric Reliability Corporation as ENDU</u>	<u>8/14/2017</u>
<u>Shell Energy North America (US), L.P., registered with the North American Electric Reliability Corporation as CORP</u>	<u>2/12/2018</u>
<u>Shell Energy North America (US), L.P., registered with the North American Electric Reliability Corporation as CORP</u>	<u>2/12/2018</u>
<u>Western Area Power Administration - Loveland Area Projects Marketing (LAPM)</u>	<u>8/14/2018</u>
<u>Macquarie Energy LLC, Registered with North American Electric Reliability Corporation as MCPI</u>	<u>12/27/2018</u>
<u>Macquarie Energy LLC, Registered with North American Electric Reliability Corporation as MCPI</u>	<u>12/27/2018</u>
<u>MAG Energy Solutions, Inc.</u>	<u>1/22/2019</u>
<u>MAG Energy Solutions, Inc.</u>	<u>1/22/2019</u>

*All Short-Term Firm Point-to-Point Transmission Service agreements are listed on the Transmission Provider's OASIS

~~(Name of Transmission Provider)~~~~Open Access Transmission Tariff~~~~Original Sheet No. 161~~**ATTACHMENT F****Service Agreement For
Network Integration Transmission Service**

- 1.0 This Service Agreement, dated as of _____ is entered into, by and between (the Transmission Provider), and _____ (Network Customer).
- 2.0 The Network Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Tariff.
- 3.0 The Network Customer has provided the Transmission Provider an Application deposit in the amount of \$ _____, in accordance with the provisions of Section 29.2 of the Tariff.
- 4.0 The Network Customer and the Transmission Provider have completed all necessary technical arrangements in accordance with the provisions of Sections 29.3 and 29.4 of the Tariff.
- 5.0 The Network Customer has executed a Network Operating Agreement with the Transmission Provider in accordance with Section 35.2 of the Tariff, as it may be amended from time to time.
- 6.0 Service under this Service Agreement shall commence on the later of: (1) the requested Start Date as stated in Section 1 of the Specifications to this Service Agreement, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this Service Agreement shall terminate on the Termination Date as stated in Section 1 of the Specifications to this Service Agreement.
- 7.0 The Transmission Provider agrees to provide and the Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III of the Tariff, as it may be amended from time to time, and this Service Agreement.
- 8.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Network Customer:

9.0 The Tariff, as it may be amended from time to time, Specifications for Network Integration Transmission Service, and the Network Operating Agreement are incorporated herein and made a part hereof.

8.0 Transmission capacity: Due to the nature of the MBPP, the total transmission capacity of Basin Electric's Transmission System may vary. As a result:

- a. If there is a reduction in total transmission capacity, the reservation under this Service Agreement will be reduced in accordance with the NERC transmission service reservation priorities, as follows:
 - i. First, Non-Firm Point-to-Point Transmission Service
 - ii. Second, Short-Term Firm Point-to-Point Transmission Service
 - iii. Third, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service

If there are multiple reservations within each category, the shortest term reservation will be reduced first. For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, all reservations will be reduced pro rata.

- b. If there is an increase in total transmission capacity, Transmission Customers and Network Customers will have the opportunity to increase the reservation under this Service Agreement in accordance with the NERC transmission service reservation priorities, as follows:

- i. First, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service
- ii. Second, Short-Term Firm Point-to-Point Transmission Service
- iii. Third, Non-Firm Point-to-Point Transmission Service

For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, if more than one customer desires to increase its reservation, the reservations will be increased pro rata. If there are multiple reservations within the second or third categories, the Transmission Customer with the longest term reservation will be given the first opportunity to increase its reservation.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name Title Date

Network Customer:

By: _____
Name Title Date

Specifications for Network Integration Transmission Service

1.0 Term of Service: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Controls Area in which the transaction originates. _____

3.0 Network Resources: _____

Total Network Resources: _____

4.0 Network Loads: _____

Total Network Loads: _____

5.0 Designation of party(ies) subject to reciprocal service obligation: _____

6.0 Name of any intervening systems providing transmission service: _____

7.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

7.1 Load Ratio Share of Annual Transmission Revenue Requirement as determined pursuant to Section 34 of the Tariff: _____

7.1.1 For the first twelve months of Network Integration Transmission Service under this Service Agreement commencing on the Start Date set forth in Section 1, above, the Network Customer's Load Ratio Share will be determined based on the Network Customer's average

Load Ratio Share in the months in which the Network Customer has taken Network Integration Transmission Service.

7.1.2 After the first twelve months of Network Integration Transmission Service, the Load Ratio Share will be calculated on a rolling twelve-month average basis.

7.2 System Impact and/or Facilities Study Charge(s): _____

7.3 Direct Assignment Facilities Charge: _____

7.4 Ancillary Services Charges: _____

7.5 Redispatch Charge(s): _____

~~To be filed by the Transmission Provider~~

~~(Name of Transmission Provider)~~~~Open Access Transmission Tariff
Original Sheet No. 162~~

ATTACHMENT G

Network Operating Agreement

~~To be filed by the Transmission Provider~~[Note: It may be necessary to include additional provisions or revise the provisions of this Network Operating Agreement to take into account the particular circumstances of a Network Customer. Transmission Provider reserves the right to modify this form of Network Operating Agreement for individual Network Customers.]

_____ (Transmission Provider) and _____ (Network Customer) agree that the provisions of this Network Operating Agreement (NOA), dated _____ and the Parties' Service Agreement for Network Integration Transmission Service dated _____ (Service Agreement) govern the transmission service to the Network Customer in accordance with the Transmission Provider's Open Access Transmission Tariff (Tariff). Unless specified herein, capitalized terms shall refer to the terms defined in the Tariff.

1.0 Character of Service

Power and energy delivered under the Service Agreement and this NOA shall be delivered as three-phase alternating current at a frequency of approximately sixty (60) Hertz, and at the nominal voltages at the Point(s) of Delivery (POD) and Point(s) of Receipt as specified in the Service Agreement.

2.0 Balancing Authority Area Requirements

- (a) Neither the Transmission Provider nor the Network Customer is a Balancing Authority Area (referred to and defined as "Control Area" in the Tariff). The Network Customer shall satisfy its requirements, including all Ancillary Services not procured from the Transmission Provider nor self-provided, by contracting with another entity that can satisfy those requirements in a manner that is consistent with Good Utility Practice and satisfies NERC and WECC standards.
- (b) The Network Customer shall report all existing and future Generation Source(s) (defined in Section 6 of this NOA) connected to its system to the Transmission Provider and the Balancing Authority Area operator. The Network Customer shall report all planned Generation Source(s) with as much notice as practical to the Transmission Provider and the Balancing Authority Area operator. The Network Customer shall report the type of generation installed or to be installed, the total name plate rating of the generation to be installed and the

electrical location of where the generation is installed or will be installed. Network Customer agrees to telemeter in real time all generation to the Transmission Provider and the Balancing Authority Area operator in a format acceptable to the parties.

- (c) If the Balancing Authority Area sets forth any other requirements either on the Transmission Provider or the Transmission Customer as a result of the Network Customer's transmission service under this NOA, all costs associated with complying with those requirements will be the responsibility of the Network Customer.
- (d) The Network Customer and the Transmission Provider shall plan, construct, operate, and maintain their respective facilities and system in accordance with Good Utility Practice, which shall include, but not be limited to, all applicable guidelines of NERC and WECC, as they may be modified from time to time, and any generally accepted practices in the region.

3.0 Operating Requirements

- (a) The Network Customer shall operate its existing and future Generation Sources in a manner consistent with that of the Transmission Provider, including following voltage schedules, providing governor response, meeting power factor requirements at the point of interconnection with the Transmission System, and other such criteria required by NERC and WECC and/or consistently adhered to by the Transmission Provider and in a manner consistent with Good Utility Practice and applicable law.
- (b) Insofar as practicable, the Transmission Provider and the Network Customer shall protect, operate, and maintain their respective systems so as to avoid or minimize the likelihood of disturbances that might cause impairment of service on the system of the other.

4.0 Redispatch and Curtailment

If the Transmission Provider determines that redispatching resources or curtailing resources to relieve an existing or potential transmission system constraint is the most effective way to ensure the reliable operation of the Transmission System, the resources of the Transmission Provider and the Network Customer will be redispatched or curtailed without regard to the ownership of such resources. The Transmission Provider will apprise the Network Customer of its redispatch and curtailment practices and procedures, as they may be modified from time to time.

5.0 Load Shedding and Load Shedding Equipment

- (a) The Parties shall implement and maintain load shedding programs to maintain

the reliability and integrity of the Transmission System, as provided in Section 33.6 of the Tariff. Load shedding shall include: (1) automatic load shedding by underfrequency and/or undervoltage relay and (2) manual load shedding. The Transmission Provider will order load shedding to maintain the relative sizes of load served, unless otherwise required by circumstances beyond the reasonable control of the Transmission Provider. Automatic load shedding devices will operate without notice. However, when manual load shedding is necessary, the Transmission Provider shall notify the Transmission Customer's dispatchers or schedulers of the required action and the Transmission Customer shall comply immediately.

- (b) The Transmission Customer shall, at its own expense, provide, operate, and maintain in service high-speed, digital underfrequency and/or undervoltage load shedding equipment. The Transmission Customer will install underfrequency and/or undervoltage relays as necessary in a manner consistent with the Transmission Provider's existing coordinated Under Frequency Load Shedding Program and Under Voltage Load Shedding schemes when applicable in compliance with any applicable NERC and WECC requirements. If the Transmission Customer also has obligations under any NERC and WECC requirements and has not contractually delegated those responsibilities to the Transmission Provider, the Transmission Customer shall be responsible for all costs associated to provide, operate, and maintain in service the Transmission Customer's load shedding equipment in accordance with the applicable requirements.
- (c) In the event the Transmission Provider modifies its load shedding program, the Transmission Customer shall, at its expense, make all necessary changes to its automatic and manual load shedding (as applicable) equipment and the settings of such equipment. The Transmission Provider may request a test of the Transmission Customer's load shedding equipment with reasonable notice.
- (d) In the event that the Network Customer fails to shed load in accordance with this Section 5, the Network Customer shall be charged in accordance with the Tariff. Continued failure to comply with the load shedding requirements of this Section 5 may also result in termination of this NOA and the Service Agreement.

6.0 Metering

(a) Meter Ownership, Operation and Maintenance Responsibilities.

- i. All metering and associated metering equipment for this NOA shall conform to Good Utility Practice and the standards and practices for the Balancing Authority Area(s).

ii. POD Meters: The Transmission Provider owns and, at no expense to the Transmission Customer, is responsible for operation, maintenance, repair, and replacement of the following POD meters and associated metering equipment (POD Meters):

iii. Generation Source Meters: The Network Customer, at no expense to the Transmission Provider, shall own, procure, install, operate, maintain, repair, and replace meters and communication for all Network Customer's generating resources (including any generating resources located behind the POD for which the Network Customer takes title to or is deemed to take title to the energy of such generating resource) located behind the POD (Generation Source(s)), including meters currently existing at the Solar Sites (defined in Section 7 of this NOA) and meters installed on all future Generation Source(s)(these meters collectively are referred to as "Generation Source(s) Meters").

1) At least sixty (60) calendar days in advance of operation of any new Generation Source(s) on the Network Customer's system, the Network Customer shall notify the Transmission Provider of any new Generation Source(s) used to serve the Network Customer's Network Load.

iv. Network Resource Meters: The Network Customer, at no expense to the Transmission Provider, shall own, procure, install, operate, maintain, repair, and replace meters and communication at all Network Resources used to serve the Network Customer's Network Load.

(b) Losses.

Electric capacity and energy delivered to the Network Customer's Network Load by the Transmission Provider will be measured by meters installed at the POD for such Network Load.

(c) Meter Data.

i. POD Meters.

1) The Transmission Provider will read the POD Meters remotely.

2) Transmission Provider shall make available, and Network Customer authorizes Transmission Provider to provide, revenue quality data on a real time basis necessary to determine Network Customer's Network Load to the Balancing Authority and to other transmission providers as necessary.

- 3) The Network Customer shall support the Transmission Provider's ability to read such meters remotely.
- 4) If at any time the Transmission Provider is unable to remotely read the POD Meters, and the issue causing the Transmission Provider's inability to read such meters is within the Network Customer's ability to resolve and the Network Customer fails to resolve such issue, Transmission Provider shall invoice the Network Customer based on the Network Customer's peak load provided in the data furnished under Section 9.b for the period under which Transmission Provider was unable to read such meters.
- 5) Transmission Provider's meter data information for the POD Meters will remain available to the Network Customer for three (3) years after the date of the meter reading.

ii. Generation Source(s) Meters.

- 1) Network Customer grants to the Transmission Provider the right to remotely read Network Customer's Generation Source(s) Meters located behind the POD and pursuant to Section 7 of this NOA, interrogate Network Customer's existing and any new generation remote terminal units (RTUs).
- 2) Network Customer will provide to Transmission Provider meter data information for any Generation Source(s) Meters not equipped to remotely read such information on a monthly basis no later than the 8th of every month. Should the 8th fall on a Saturday or Sunday or a holiday, the Generation Meter Data shall be submitted to the Transmission Provider no later than the first weekday prior to the 8th.
- 3) Generation reflected in the Network Customer's Generation Source(s) Meters will be added to the POD Meters (as adjusted for losses pursuant to Section 6.b) to determine Network Customer total monthly Network Load pursuant to Section 34 of the Tariff.
- 4) If at any time the Transmission Provider is unable to remotely read Network Customer's Generation Source(s) Meters or unable to interrogate Network Customer's generation RTUs, Transmission Provider may, at its sole discretion, include in the Network Customer's monthly invoice for Network Integrated Transmission Service the full name plate capability of the Network Customers Generation Source(s), regardless if the Generation Source(s) was on line until reliable telecommunications facilities are provided and

Transmission Provider is able to remotely read Network Customer's Generation Source(s) Meters and able to interrogate Network Customer's generation RTUs.

5) Network Customer's meter data information for the Generation Source(s) Meters will remain available to the Transmission Provider for three (3) years after the date of the meter reading.

(d) Meter Testing.

- i. At the Network Customer's expense, the Generation Source(s) Meters will be tested at least annually by the Network Customer. Representatives of the Transmission Provider will be afforded an opportunity to witness such tests. In the event the test shows the meter to be inaccurate, the Network Customer will make any necessary adjustments, repairs or replacements thereon.
- ii. At the Network Customer's expense, the Transmission Provider will, upon request of the Network Customer but not more than twice annually, test any POD Meters used for determining the receipt or delivery of capacity and energy by the Transmission Provider. In the event the test shows the meter to be inaccurate, the Transmission Provider will make any necessary adjustments, repairs or replacements thereon.
- iii. In the event any meter used to measure capacity and energy fails to register or is found to be inaccurate, appropriate billing adjustments will be made based on the best information available. An inaccurate meter is one that exceeds one percent (1%) plus or minus of the calibrated standard. If, as a result of any test, a meter is found to register in excess of one percent (1%) either above or below normal, then the reading of such meter previously taken will be corrected according to the percentage of inaccuracy so found, but no correction will extend beyond ninety (90) calendar days previous to the day on which the inaccuracy is discovered by such test.

(e) Meter Access:

- i. In the event that any of the POD Meters are located within or attached to the Network Customer's equipment, the Network Customer grants the right for such arrangement to the Transmission Provider, or its employees, agents and contractors, and grants access to the POD Meters at all reasonable hours and for any reasonable purpose, including but not limited to testing, maintenance, repair, replacement of the metering equipment and associated communication equipment.

ii. The Network Customer grants to the Transmission Provider, its employees, agents, and contractors, a non-exclusive license to install, operate, maintain, repair, replace, and test the Transmission Provider's equipment.

iii. Should the Transmission Provider desire to witness the testing of the Generation Source(s) Meters located behind the POD pursuant to Section 6.d.i. of this NOA, the Network Customer permits the Transmission Provider access to such meters at all reasonable hours.

(f) Check Meters:

The Network Customer has the right, at its expense to install suitable metering equipment at any POD, as herein provided for the purpose of checking the meters installed by the Transmission Provider.

7.0 Operational Information

The Network Customer shall provide data to the Transmission Provider that is needed for the safe and reliable operation of the Network Customer's and the Balancing Authority Area(s) and to implement the provisions of the Tariff.

(a) By September 1st of each year, the Network Customer shall provide its Network Resource availability forecast, including all Network Customer's Generation Source(s) (e.g., all planned resource outages, including off-line and on-line dates) for the following year to the Transmission Provider. Such forecast shall be made in accordance with Good Utility Practice. The Network Customer shall inform the Transmission Provider, in a timely manner, of any changes to the Network Customer's Network Resource availability forecast. In the event that the Transmission Provider determines that such forecast cannot be accommodated due to a transmission constraint on the Transmission System, or that such forecast may jeopardize the reliability of the Transmission Provider's system, the provisions of Section 33 of the Tariff will be implemented.

(b) At least 48 hours in advance of the beginning of every calendar day, the Network Customer shall provide its best forecast of any planned transmission or Network Resource outage(s) and other operating information that would assist the Transmission Provider in the reliable operation of the Balancing Authority Area(s). In the event that such planned outages cannot be accommodated due to a transmission constraint on the Transmission Provider's Transmission System, the provisions of Section 33 of the Tariff will be implemented.

(c) The Transmission Provider and the Network Customer shall notify and

coordinate with the other party prior to the commencement of any work by either party (or contractors or agents performing on work their behalf), which work may directly or indirectly have an adverse effect on the Balancing Authority Area(s) of the other party.

- (d) The Transmission Provider has established a Network Operating Committee (Committee) for all of the Transmission Provider's Network Customers in order to coordinate operating criteria for the Parties' respective responsibilities under their Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

8.0 Network Planning

- (a) To protect the integrity of the transmission systems, the Network Customer shall not connect or allow any third-party to connect an electric generating facility to the Transmission Provider's or the Network Customer's transmission or distribution system ("Proposed Interconnection") until the Network Customer and Transmission Provider have studied, or have reviewed the other Party's study, assessing the impacts of the Proposed Interconnection on the Parties' transmission and distribution systems. Any Proposed Interconnection shall be consistent with: 1) Transmission Provider's Tariff; 2) any applicable NERC requirements; and 3) facility interconnection requirements as may be required by Transmission Provider, Network Customer, or a third party, as applicable. Any required mitigation methods identified in the studies shall be agreed to among the applicable parties prior to such connection.
- (b) In order for the Transmission Provider to plan, on an ongoing basis, to meet the Network Customer's requirements for Network Integration Transmission Service, the Network Customer shall provide, by September 1st of each year, updated information (current year and 10-year projection) for Network Load and Network Resources including all Network Customer's Generation Source(s), any other information reasonably necessary to plan for Network Load and Network Resources, and any other information reasonably necessary to plan for Network Integration Transmission Service. This type of information is consistent with the Transmission Provider's information requirements for planning to serve Native Load Customers. The data will be provided in a format consistent with that used by the Transmission Provider.

9.0 Transfer of Power and Energy Through Other Systems

Since the Transmission System is, and will be, directly or indirectly connected with other electric systems, it is recognized that, because of the physical and electrical

characteristics of the facilities involved, power delivered under the Service Agreement and this NOA may flow through such other systems. The Parties agree to advise other operators of electric systems as deemed appropriate of scheduled transfers and to maintain good relationships with affected third parties.

10.0 Dispute Resolution

Any dispute among the Parties regarding this NOA shall be resolved pursuant to Section 12 of the Tariff, or otherwise, as mutually agreed by the Parties.

11.0 Notice

Any notice or request made to or by either Party regarding this NOA shall be made to the representative of the other Party as indicated in the Service Agreement.

12.0 Incorporation

The Tariff and the Service Agreement are incorporated herein and made a part hereof.

13.0 Term

The term of this NOA shall be concurrent with the term of the Service Agreement between the Parties.

14.0 Severability

In the event that any of the terms, covenants or conditions of this NOA, its exhibits, or the application of any such term, covenant, or condition shall be held invalid by any court or administrative body having jurisdiction, it is the intention of the Parties that in lieu of each such term, covenant or condition that is invalid, there be added as part of this NOA, a valid term, covenant, or condition as similar in terms as possible to such invalid term, covenant or condition. The other terms of this NOA shall not be affected by a holding that any term hereof is invalid; and they shall remain in full force and effect notwithstanding any such holding.

15.0 Amendments

This NOA may be amended, changed, modified or altered, provided that such amendment, change, modification or alteration shall be in writing and signed by both Parties.

16.0 Governing Law

Except as governed by federal law, this NOA shall be governed by and construed in accordance with internal laws of the State of Colorado, without giving effect to

any choice or conflict of law provision or rule (whether of the State of Colorado or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of Colorado.

17.0 Liability

Neither Party and its directors, officers, employees or agents shall be liable for any loss of earnings, revenues, indirect or consequential damages or injury which may occur to the other Party as a result of outages in delivery of service hereunder.

IN WITNESS WHEREOF, the parties have caused this NOA to be executed by their respective authorized officials.

TRANSMISSION PROVIDER

By: _____

Name Title Date

NETWORK CUSTOMER.

By: _____

Name Title Date

~~(Name of Transmission Provider)~~ ~~Open Access Transmission Tariff~~
~~Original Sheet No. 163~~

ATTACHMENT H

Annual Transmission Revenue Requirement For Network Integration Transmission Service

1. The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service shall be \$6,548,163.
2. The amount in (1) shall be effective until amended by the Transmission Provider or modified by the Commission.

~~(Name of Transmission Provider)~~ ~~Open Access Transmission~~
~~Tariff~~

~~Original Sheet No. 164~~

ATTACHMENT I

Index Of Network Integration Transmission Service Customers

Customer Date of Service Agreement	
<u>Customer</u>	<u>Date of Service Agreement</u>
<u>Basin Electric Power Cooperative*</u>	<u>4/29/1977</u>

*Existing firm service equivalent to Network Integration Transmission Service provided pursuant to the Missouri Basin Power Project Laramie River Electric Generating Station and Transmission System Participation Agreement

~~(Name of Transmission Provider)~~

~~Open Access Transmission Tariff~~

~~Original Sheet No. 165~~

ATTACHMENT J

Procedures for Addressing Parallel Flows

~~To be filed by the Transmission Provider~~The Transmission Provider shall implement Curtailment of Transmission Service in accordance with NERC and WECC guidelines and policies, including congestion management under WECC Standard IRO-STD-000-0.

(Name of Transmission Provider)
Tariff

Open Access Transmission

Original Sheet No. 166

ATTACHMENT K

Transmission Planning Process

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VIII. Recovery of Planning Costs

Exhibit 1

Attachment K

Transmission Planning Process

I. Overview of the Basin Electric Missouri Basin Power Project Transmission Planning Process

Basin Electric Power Cooperative (Basin Electric) jointly owns a transmission system referred to as the Missouri Basin Power Project (MBPP). This Attachment K applies only to Basin Electric's Transmission System, as defined in Section 1 of this Tariff. Transmission Provider provides Point-To-Point Transmission Service (PTP) and Network Integration Transmission Services (NITS) under this Tariff. The Tariff Administrator shall administer the Transmission Provider's responsibilities related to the regional transmission planning process contained in this Attachment K, as applicable.

Transmission Provider's transmission planning process is intended to facilitate the development of electric infrastructure that maintains reliability, responds to service requests and meets load growth, and is based on the following objectives:

- Maintain reliable electric service.
- Improve the efficiency of electric system operations, including the provision of open and non-discriminatory access to its transmission facilities.
- Identify and promote new investments in transmission infrastructure in a coordinated, open, transparent and participatory manner.

The transmission planning process conducted by Transmission Provider allows interested parties, including, but not limited to, NITS and PTP customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources, neighboring transmission providers, state and local regulatory bodies, and other stakeholders (jointly, Stakeholders) input into and participation in all stages of development of the transmission plan, including participation in a series of open planning meetings.

In addition to its local transmission planning process, Transmission Provider coordinates its transmission planning with other transmission providers and Stakeholders in the Rocky Mountain region, and the Western Interconnection as a whole, through its active participation in the Colorado Coordinated Planning Group (CCPG), membership in the Western Electricity Coordinating Council (WECC), and membership in WestConnect. WestConnect was formed under a memorandum of understanding voluntarily entered into by FERC jurisdictional and non-jurisdictional transmission-providing electric utilities in the Western Interconnection. The purposes of WestConnect are to investigate the feasibility of wholesale market enhancements,

work cooperatively with other Western Interconnection organizations and market shareholders, and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint. The WestConnect Order No. 1000 regional transmission planning management committee (the Planning Management Committee or PMC) will conduct the regional transmission planning process under the principles set forth in FERC's order *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 (2007), *et al.* (collectively, "Order No. 890"), and carried forward in FERC's order *Transmission Planning and Cost Allocation by Transmission Owning and Operating Utilities*, Order No. 1000, 136 FERC ¶ 61,051 (2011), *et al.* (collectively, "Order No. 1000").

Three subregional planning groups operate within the WestConnect footprint: CCPG, the Southwest Area Transmission (SWAT) group, and the Sierra Coordinated Planning Group. WestConnect's planning effort, which includes funding and provision of planning management, analysis, report writing, and communication services, supports and manages the coordination of the subregional planning groups and their respective studies. Such responsibilities are detailed in the WestConnect Project Agreement for Subregional Transmission Planning (WestConnect STP Agreement), dated May 23, 2007 (*see* www.westconnect.com), the WestConnect Planning Participation Agreement Amended and Restated February 8, 2016 (*see* www.westconnect.com), and other project agreements that may be entered into from time to time. The Transmission Provider is a signatory to the WestConnect STP Agreement.

The subregional planning groups within the WestConnect footprint, assisted by the WestConnect planning manager, formed the WestConnect Planning Management Committee to comply with the requirements of Order No. 890 and Order No. 1000 and coordinate with other Western Interconnection transmission providers and their regional and subregional planning groups. WECC provides for the development and maintenance of an economic transmission study database for the entire Western Interconnection and performs annual congestion studies at the Western Interconnection regional level. The Transmission Provider's participation in interregional planning in compliance with Order No. 1000 is set out in Part VIII of this Attachment K.

A. Definitions

Capitalized terms used within this Attachment K that are not otherwise defined herein will have the same meaning as in Part I, Section 1 of the Tariff or in the WestConnect Planning Participation Agreement.

1. Additional Economic Studies: Economic Study Requests that are not prioritized as the highest priority local study.

2. Alternative Qualifying Entity: As described in Section III.D.2.1
3. CCPG: Colorado Coordinated Planning Group or its successor organization.
4. Economic Study: An economic planning study designed to identify solutions that could relieve transmission congestion or integrate new resources and loads, including facilities to integrate new resources and loads on an aggregated or regional basis.
5. Economic Study Request: A request for an Economic Study. The Transmission Provider will classify each Economic Study Request as a Local Transmission Provider Economic Planning Request, Sub-Regional Economic Planning Request, or Regional Economic Planning Request.
6. Eligible Transmission Developers: As described in Section III.D.3.
7. Independent Transmission Developers and Owners: A WestConnect membership sector.
8. Key Interest Groups: A WestConnect membership sector
9. Local Transmission Plan or LTP: The transmission plan of the Transmission Provider that identifies the upgrades and other investments to the Transmission System or demand response necessary to reliably satisfy, over the planning horizon, Network Customers' resource and load growth expectations for designated Network Load; Transmission Provider's resource and load growth expectations for Native Load Customers; Transmission Provider's obligations pursuant to non-Tariff agreements; and the Transmission Provider's PTP customers' projected service needs including obligations for rollover rights.
10. Local Transmission Project: As described in Section VI.A.
11. Ownership Proposal: As described in Section VI.B.5.
12. Planning Participation Agreement: WestConnect Planning Participation Agreement Amended and Restated February 8, 2016.
13. Planning Region: Each of the following Order No. 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, ColumbiaGrid, Northern Tier Transmission Group, and WestConnect.

14. Public Policy Requirements: Those requirements enacted by state or federal laws or regulations, including those enacted by local governmental entities, such as a municipality or county.
15. Regional Entity: An entity responsible for compliance monitoring and enforcement pursuant to a FERC-approved delegation agreement with NERC.
16. Regional Plan: The transmission plan for a ten-year transmission planning horizon developed through the Regional Planning Process described in Section III, below.
17. Regional Planning Process: The WestConnect regional planning process, as described in Section III, below.
18. Reliability Standard: As defined in the Glossary of Terms Used in NERC Reliability Standards published on the NERC website (*see www.nerc.com*).
19. Stakeholder: Includes, but is not limited to, NITS and PTP transmission customers, sponsors of transmission solutions, generating solutions and solutions utilizing demand response resources, neighboring transmission providers, state and local regulatory bodies, and other parties.
20. Stakeholder Meeting: Meetings periodically held by the Transmission Provider for the purpose of soliciting input from Stakeholders on the Transmission Provider's LTP.
21. Standards of Conduct: Standards of Conduct for transmission providers described in 18 C.F.R. Part 358 and any successor provisions.
22. State Regulatory Commissions: A WestConnect membership sector
23. Transmission Customers: A WestConnect membership sector
24. Transmission Owner: As described in Section III.A, below.
25. Transmission Owners with Load Serving Obligations: A WestConnect membership sector.
26. Transmission Providers Transmission Coordination and Planning Committee or TCPC: A stand-alone advisory committee comprised of

eligible Stakeholders who will provide input to the Transmission Provider's LTP.

27. WestConnect: The WestConnect Regional Transmission group or its successor organization.

28. WestConnect STP Agreement: WestConnect Project Agreement for Subregional Transmission Planning.

II. Local Transmission Planning Process

A. General Provisions for Local Transmission Planning Process

1. Types of Planning Studies

a. Reliability Planning Studies. Reliability planning studies are performed to ensure that the Transmission Provider meets (a) all NITS and PTP customer needs for planned loads and resources, including demand response resources, for each year of the ten year planning horizon, and (b) all North American Electric Reliability Corporation (NERC), WECC, and local reliability standards. Reliability planning studies shall be coordinated with WestConnect and other regional transmission planning organizations as appropriate.

b. Economic Planning Studies. The purpose of economic planning studies is to identify significant and recurring congestion on the Transmission Provider's Transmission System and/or address the integration of new resources and/or loads. Such studies may analyze any, or all, of the following: (i) the location and magnitude of the congestion, (ii) possible remedies for the elimination of the congestion, (iii) the associated costs of congestion, (iv) the costs associated with relieving congestion through system enhancements (or other means), and, as appropriate (v) the economic impacts of integrating new resources or/and loads.

c. Consideration of Public Policy Requirements. For purposes of this Attachment K, "Public Policy Requirements" means those requirements enacted by state or federal laws or regulations, including those enacted by local governmental entities, such as a municipality or county. Public Policy Requirements, as applicable, are incorporated into the load forecasts and/or are modeled in the

local planning studies. Proposed public policy (public policy proposed before a governmental authority but not yet enacted) may be studied if time and resources permit.

2. Preparation of a LTP

- a. The Transmission Provider will prepare, with the input of interested Stakeholders, one LTP every year. The preparation of the LTP will be done in accordance with the general policies, procedures, and principles set forth in this Attachment K.
- b. The Transmission Provider will establish a process by which Stakeholders can discuss, question, or propose alternatives for input assumptions and upgrades identified by the Transmission Provider. The Transmission Provider will consider information obtained from Stakeholders for future planning cycles.
- c. The Transmission Provider will use a ten (10) year or other applicable planning horizon for the LTP. The transmission planning process will use reliability criteria established by the Transmission Provider, WECC, NERC and FERC.
- d. The LTP on its own does not effectuate any transmission service requests. Transmission service requests must be made in accordance with the procedures set forth in Part II of the Tariff and posted on the Transmission Provider's OASIS. Similarly, Network Customers must submit Network Resource and load additions or removals pursuant to the process described in Part III of the Tariff.
- e. The Transmission Provider will take the LTP into consideration, as appropriate, when preparing generator interconnection, transmission service, and economic studies. The Transmission Provider will take the generator interconnection, transmission service, and Economic Study results into consideration as appropriate when preparing the LTP.
- f. The Transmission Provider will prepare and develop the LTP using an open and coordinated process that includes input from Stakeholders as defined in Section II.D.3. Stakeholder input will occur at various phases throughout the study process consistent with the principles, practices, policy and procedures set forth in this Attachment K. The Transmission Provider, with interested

Stakeholder input, will: (1) determine the study plan, define scenarios and develop base cases related to the LTP; (2) perform the technical study; (3) determine the preliminary LTP, based on the data produced during the technical study and if applicable, include timely submitted Economic Study Request results; and (4) report study results and the LTP to Stakeholders and affected parties.

- g. Limitations on Disclosure: While the Transmission Provider's LTP planning process will be conducted in the most open manner possible, the Transmission Provider has an obligation to protect sensitive information such as, but not limited to, information eligible for designation as Critical Energy Infrastructure Information (CEII), and the proprietary materials of third parties. Nothing in this Attachment K will be construed as compelling the Transmission Provider to disclose materials in contravention of any applicable regulation, contractual arrangement, or lawful order unless otherwise ordered by a governmental agency of competent jurisdiction. The Transmission Provider may employ mechanisms such as confidentiality agreements, protective orders, or waivers to facilitate the exchange of sensitive information where appropriate and available.
- h. The Transmission Provider will adhere to all applicable laws and regulations in preparing the LTP, including but not limited to any CEII included therein. Any Stakeholder or Transmission Provider participating in the planning process must adhere to the Commission's guidelines concerning CEII as set out in the Commission's regulations. Additional information concerning data eligible for designation as CEII, including a summary list of data that is determined by the supplying party to be eligible for designation as CEII, will be posted on the Transmission Provider's OASIS.

3. Coordination

- a. LTP Study Cycle: The Transmission Provider will prepare an LTP during a four (4) quarter study cycle.
- b. LTP Sequence of Events: The Transmission Provider will use the following timeline in preparing its LTP.

(i) Quarter 1: Data Collection, Study Scope and Scenario Development

- (a) The Transmission Provider will gather: (1) Network Customers' projected loads, projected resources, and load growth expectations (based on annual updates under Part III of the Tariff); (2) Transmission Provider's projected loads and projected resource needs for its Native Load Customers; (3) PTP customers' projections for long-term (greater than 1 year) needs at each receipt and delivery point (based on information submitted by Eligible Customers to the Transmission Provider) including projections of rollover rights; (4) information from all transmission customers and the Transmission Provider on behalf of Native Load Customers concerning existing and planned demand resources and their impact on demand and peak demand; and (5) information from sponsors of transmission solutions, generating solutions and solutions utilizing demand response resources.
- (b) The Transmission Provider will take into consideration, to the extent known or which may be obtained from its transmission customers and Stakeholders, obligations that will either commence or terminate during the applicable study window.
- (c) Eligible Customer Economic Study Requests will also be submitted to the Transmission Provider during this quarter.
- (d) The Transmission Provider will, with Stakeholder input, define the proposed LTP study scope, objectives, and scenarios to be considered in development of the LTP. The Transmission Provider will post the official timelines for data submittals on its OASIS.
- (e) The Transmission Provider will have a Transmission Providers Transmission Coordination and Planning

Committee (TCPC) meeting during the first quarter to accept Stakeholder input to the LTP, including Public Policy Requirements and potential stakeholder-suggested transmission needs driven by Public Policy Requirements. As part of the TCPC meeting, with Stakeholder input, the Transmission Provider will finalize study objectives, scenarios to be studied, discuss data collected, adequacy of the data, the need for any additional data and discuss applicable Economic Study Requests.

(f) The Transmission Provider will finalize and post on the OASIS the basic methodology, planning criteria, assumptions and processes the Transmission Provider will use to prepare the LTP.

(g) After the first quarter TCPC meeting, and no later than thirty (30) days before the fourth quarter TCPC meeting, the Transmission Provider will post on its OASIS an explanation of those transmission needs driven by Public Policy Requirements that have been identified for evaluation for potential solutions in the local transmission planning process and an explanation of why any suggested transmission needs driven by Public Policy Requirements will not be evaluated.

(ii) Quarter 2-3: Technical Study

(a) The Transmission Provider will develop base cases that include load and resource data to represent the defined scenarios.

(b) The Transmission Provider will conduct a combination of powerflow, transient stability studies, post transient power flow, or other studies deemed necessary to properly analyze the Transmission System.

(c) The Transmission Provider will consider transmission and non-transmission solutions to

mitigate system performance that does not meet reliability criteria. The Transmission Provider may consider the results from prior applicable Economic Studies.

- (d) The Transmission Provider may elect to post interim iterations of the draft plan or preliminary technical study results, and solicit comments prior to the end of the applicable quarter. The Transmission Provider will seek interested Stakeholder input regarding advantages and disadvantages associated with proposed solutions in the transmission plan or technical study.

(iii) Quarter 4: Decision and Reporting

- (a) The Transmission Provider will solicit Stakeholder input when determining selection criteria and weighting to be used in determining the best transmission or non-transmission solution identified in the draft LTP. Advantages and disadvantages to each solution will also be considered.
- (b) Selection criteria may include, but are not limited to, the following:
 - (i) Total present value of upgrade costs
 - (ii) Time available to implement upgrade
 - (iii) System performance with each solution
 - (iv) Probability of scenario requiring a solution
 - (v) Environmental assessment and/or costs
 - (vi) Non-quantifiable assessment
- (c) The Transmission Provider will prepare and publish a draft LTP report on its OASIS and solicit input from all Stakeholders.

- (d) Using data and information from the technical study, and considering Stakeholder input, the Transmission Provider will define its ten (10) year LTP.
 - (e) The final LTP report will be posted on the Transmission Provider's OASIS and provided to applicable sub-regional and regional entities conducting similar planning efforts, interested Stakeholders, and the owners and operators of the neighboring interconnected transmission systems.
 - (f) The responsibility for the LTP will remain with the Transmission Provider who may accept or reject in whole or in part, the comments of any Stakeholder unless prohibited by applicable law or regulation.
- c. Stakeholder Meetings: The Transmission Provider will establish the TCPC to be used as the forum for Stakeholder input throughout the study cycle described in Section II.A.3. TCPC membership and meetings will be open to all Stakeholders, including but not limited to Eligible Customers, other transmission providers, and federal and state commissions. The Transmission Provider will utilize quarterly scheduled TCPC meetings to solicit, obtain, and coordinate the input of interested Stakeholders throughout the local transmission planning process. Notice of TCPC meetings will be posted on the Transmission Provider's OASIS with fifteen (15) business days' prior notice. A list of participants or members will be maintained and will receive email notifications for upcoming meetings. The location of the meeting will be selected by the Transmission Provider. The Transmission Provider will provide for alternate means of participation, to the extent practical and economical, such as teleconference, web conference or other similar means. Instructions for participation in TCPC meetings will be posted and maintained on the Transmission Provider's OASIS.
- d. Stakeholder Comments: In addition to Stakeholder input noted in Section II.A.3 above, at each TCPC meeting, the Transmission Provider will: (1) discuss the status of the local transmission planning process, (2) summarize substantive study results if available, (3) present drafts of documents, and (4) receive Stakeholder comments on the overall transmission plan.

- e. OASIS Information: The Transmission Provider will post and maintain on its OASIS: (1) instructions, meeting notices points of contact, and other information necessary to participate in the TCPC meeting, or other means established for the purpose of soliciting the input of or coordinating with interested Stakeholders; (2) written comments received from interested Stakeholders, to the extent such comments are not confidential or subject to privilege; and (3) any draft LTP or any other documents the Transmission Provider deems necessary to promote coordination in the LTP study process. A complete list of OASIS posting requirements is defined in Section II.A.5 of Attachment K.

4. Information Exchange

- a. Types of Forecast Data: Stakeholders will submit annually information regarding their needs and proposed expansion plans to facilitate the LTP planning process. The obligation to make such submittals will not replace or supersede any requirements related to service or interconnection requests of PTP transmission customers and NITS customers or interconnected generators under other relevant sections and appendices of this Tariff. To facilitate the LTP, the transmission customer will provide the Transmission Provider the following types of data during the first quarter of every year per the schedule posted on the Transmission Provider's OASIS:
 - (i) Historical Data: Monthly historical energy, peak load and minimum load data for the prior calendar year and the historical energy, peak load and minimum load data for all months of the current year as it becomes available.
 - (ii) Load Forecast Data: NITS customers will provide their ten (10) year monthly energy, peak load and resource and minimum load and resource forecast data.
 - (iii) PTP and other transmission customers: To maximize the effectiveness of the transmission planning process, it is essential that all other transmission customers provide their ten (10) year forecast of their projected use of rollover of existing reservations and any expected additional reservations. The forecast will specify the Point of Receipt and Point of Delivery at the bus level.

- (iv) Generation Forecast Data: Stakeholders will provide data from their own generators including, but not limited to, technical engineering data for their generators and interconnection facilities, peak capability, and expected maintenance schedule.
- (v) Demand Response Resource, Demand Reduction, Conservation and Demand-side Management: Stakeholders will provide demand response resource savings, conservation savings, and other customer load reduction alternatives that would reduce or alter the load of the transmission customer.
- (vi) Interruptible and Other: Stakeholders will be asked to supply a peak load forecast with and without the interruptible portion of the forecast data applied.
- (vii) Other Supply Sources: Stakeholders will provide monthly energy and peak data for electrical supply sources not from generators including, but not limited to, receipt point and delivery point.
- b. Peak Load Forecast Temperature Adjustment: The Transmission Provider may request the temperature adjustment methodology to adjust the winter and summer peak load forecasts to an alternative (e.g., 1-in-2, 1-in-10, and 1-in-20) probability assumption.
- c. Additional Information: Stakeholders will also provide to the Transmission Provider, upon request, the following information:
 - (i) Discussion of reasons for significant increase or decreases in load or generation forecast.
 - (ii) Source and vintage of load forecast and generation resource information.
 - (iii) Interruptible loads and demand response resources.
 - (iv) Weather assumptions associated with load forecasts.
 - (v) Other information as requested by the Transmission Provider.

- d. Economic Study Requests: Eligible Customers will submit Economic Study Requests no later than the end of the first quarter. Requests received after this time will be considered in the following annual study cycle.
- e. Stakeholder Obligation: Stakeholders will provide the Transmission Provider with generation, energy, peak and minimum load forecast, and demand response resources to the maximum extent practicable and subject to any necessary information protections.
 - (i) Stakeholders will provide timely written notice of material changes to information previously provided relating to its load, resources, or other aspects of its facility or operations affecting the Transmission Provider's ability to provide service.
 - (ii) If any Stakeholder fails to provide data as required by or otherwise participate in this local transmission planning process, the Transmission Provider cannot effectively include future needs in the Transmission Provider's LTP planning obligations. If any Stakeholder fails to provide data as required by or otherwise participate in this local transmission planning process, the Transmission Provider will plan the system based on the most recent load and resource data received.
- f. Comparability of Data: The Transmission Provider will send the same type of data request to all customers. The Transmission Provider will include in the LTP all valid data, along with appropriate comments on the data, received from transmission customers and Stakeholders.
- g. Confidentiality: Individual customer data will be treated as confidential and will be aggregated with other customer data for purposes of planning, reporting, and developing the Transmission Provider's LTP.
- h. Identification of Documents: Stakeholders and the Transmission Provider will identify confidential documents or market sensitive information supplied during the transmission planning process. Any Stakeholder or transmission provider seeking access to such

confidential information must agree to adhere to the terms of a confidentiality agreement and establish a reasonable need for that information. The form of the Transmission Provider's confidentiality agreement will be developed initially by the Transmission Provider and posted on the OASIS.

- i. Protection of Information: Market sensitive data, commercially sensitive data, or other data identified as confidential by the transmission customer will be considered confidential. Confidential information will be disclosed only to those participants in the planning process that establish a reasonable need for that information and that execute the confidentiality agreement, and only in compliance with the Commission's Standards of Conduct; provided, however, any such information may be supplied to (i) federal, state or local regulatory authorities that request such information and protect such information subject to non-disclosure regulations, or (ii) upon order of a court of competent jurisdiction.
- j. Schedule of Collection: The Transmission Provider will submit a request for forecast data annually, but no later than close of business Friday of the second full week of January. The Transmission Provider will post on the OASIS the schedule, instructions, procedures, and requirements for the submission of data.

5. Transparency

a. OASIS Requirements

- (i) The Transmission Provider will maintain a "Transmission Planning" folder on the publicly accessible portion of its OASIS to distribute information related to this Attachment K. Business practices and other information pertaining to the LTP will also be posted in the "Transmission Planning" folder.
- (ii) The Transmission Provider will maintain in the "Transmission Planning" folder on the publicly accessible portion of OASIS a subscription service or "How-To-Contact-Us" folder whereby any person may contact the Transmission Provider to receive e-mail notices and materials related to the LTP process, or provide comments on the LTP process.

- (iii) Content of OASIS Postings. The Transmission Provider will post in the “Transmission Planning” folder on its OASIS:
 - (a) Transmission planning business practices along with the procedures for modifying the business practices;
 - (b) Study cycle timeline and data submittal schedule;
 - (c) Each Economic Study Request, and any response from the Transmission Provider;
 - (d) A summary of information discussed at each TCPC meeting or other similar meeting related to transmission planning;
 - (e) In advance of its discussion at any TCPC meeting, all materials to be discussed;
 - (f) Written comments submitted in relation to the LTP;
 - (g) All draft and final versions of the current LTP and non-confidential supporting documents;
 - (h) The final version of all completed LTPs for previous study periods;
 - (i) Economic Study results;
 - (j) Aggregated load forecasts representing the Transmission Provider’s Transmission System;
 - (k) Information regarding the status or material change of upgrades identified in the LTP;
 - (l) Material changes or updates to the database noted in Section II.A.5.b below;
 - (m) Summary list of data eligible for designation as CEII submitted during the planning process; and
 - (n) Key information concerning the CCPG or WestConnect planning processes.

b. Database Access and Changes: A Stakeholder may receive access from the Transmission Provider to the database and all changes to the database used to prepare the LTP according to the database access rules established by WECC and upon certification to the Transmission Provider that the Stakeholder is permitted to access such database. Unless expressly ordered to do so by a court of competent jurisdiction or regulatory agency, the Transmission Provider has no obligation to disclose database information to any Stakeholder that does not qualify for access. Material changes or updates to the database used for the LTP and reason for the changes will be posted on the Transmission Provider's OASIS.

6. Cost Allocation

a. Obligations: Cost allocation principles expressed here do not supersede cost obligations as determined by other parts of the Tariff, which include, but are not limited to, transmission service requests, generation interconnection requests, Network Upgrades or Direct Assigned Facilities. Nothing contained in this Attachment K will relieve or modify the obligations of the Transmission Provider or transmission customer pursuant to the Tariff.

b. Cost Allocation for New Projects

(i) The Transmission Provider will utilize a case-by-case approach to allocate costs for new projects. This approach will be based on the following principles:

(a) Open Season Solicitation of Interest: For any project identified in a Transmission Provider planning study (for reliability and/or economic projects) in which the Transmission Provider is the project sponsor, the Transmission Provider may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination by the Transmission Provider to hold an open season solicitation of interest for a project, the Transmission Provider will:

(i) Announce and solicit interest in the project through informational meetings, its website,

and/or other means of dissemination as appropriate.

(ii) Hold meetings with interested parties and meetings with public utility staffs from potentially affected states.

(iii) Post information via WECC's planning project review reports.

(iv) Develop the initial project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.

(b) Transmission Provider Coordination within a Solicitation of Interest Process: The Transmission Provider, whether as a project sponsor or a participant, will coordinate as necessary with any other participant or sponsor to integrate into the Transmission Provider's LTP any planned project on or interconnected with the Transmission Provider's Transmission System.

(c) Transmission Provider Projects without a Solicitation of Interest: If the Transmission Provider elects to proceed without an open season solicitation of interest, the Transmission Provider will proceed with the project pursuant to its rights and obligations as a Transmission Provider.

(d) Allocation of Costs:

(i) Proportional Allocation: For any project entered into where an open season solicitation

process has been used, project costs and associated transmission rights would generally be allocated proportionally to project participants. In the event the open season process results in a single participant, the full cost and transmission rights will be allocated to that participant.

- (ii) Economic Benefits or Congestion Relief: If an entity submits a request for a project wholly on the Transmission Provider's Transmission System for economic reasons or congestion relief, the project costs will be allocated to the entity submitting the request.

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- c. Regional Cost Allocation: The cost allocation for regional projects will be allocated consistent with the cost allocation principles of WestConnect. See www.westconnect.com.

B. Local Reliability Planning Studies

Internally, and through WestConnect and CCPG, the Transmission Provider performs annual system assessments to verify compliance with reliability standards, to determine related system improvements, and to demonstrate adherence to the standards and criteria set forth by NERC and WECC. Compliance is certified annually.

During the local transmission planning process, the Transmission Provider considers a wide range of factors and interests as part of its reliability assessment, including, but not limited to: (i) the needs of transmission customers to integrate loads and resources; (ii) transmission infrastructure upgrades necessary to interconnect new generation resources; (iii) the minimum reliability standard requirements promulgated by NERC and WECC; (iv) bulk electric system considerations above and beyond the NERC and WECC minimum reliability standard requirements; (v) transmission system operational flexibility, which supports economic dispatch of interconnected generation resources; and (vi) various regional and sub-regional transmission projects planned by other utilities and stakeholders.

This comprehensive internal, regional, and sub-regional planning process ensures that the Transmission Provider's local reliability needs are carefully coordinated with all Stakeholders.

C. Economic Planning Studies

1. Review: As part of the study cycle described in Section II.A above, the Transmission Provider will review Economic Study Requests. An Economic Study Request involves an assessment to determine whether transmission upgrades can reduce the overall cost of service to Native Load Customers and the load of other customers taking service under the Tariff. The Transmission Provider currently does not separately conduct economic planning studies and does not have the individual capability to conduct economic analyses, and thus, in the event of a request for an Economic Study, may contract with a qualified third party of its choosing to perform such work. The Transmission Provider will coordinate with the TCPC during the annual study cycle to identify and prioritize all Economic Study Requests and perform an assessment to determine if the Economic Study Request would reduce the overall cost of service to Native Load Customers and the load of other customers taking service under the Tariff.
2. Request Form: An Eligible Customer may make an Economic Study Request by completing the Economic Study Request form located on the Transmission Provider's OASIS within the "Transmission Planning" folder. Study requests are due to the Transmission Provider per the official timeline as posted on the Transmission Provider's OASIS.
3. Number of Studies: The Transmission Provider may study up to one (1) high priority Local Transmission Provider Economic Planning Request annually.
4. Classification of Requests: The Transmission Provider, with input from the TCPC, will classify a request for Economic Planning Studies as a Local Transmission Provider Economic Planning Request, Sub-Regional Economic Planning Request, or Regional Economic Planning Request.
 - a. A study request that is confined to the Transmission Provider's Transmission System and does not materially affect the interconnected transmission system, and remedies are confined to the Transmission Provider's Transmission System, will be

considered a Local Transmission Provider Economic Planning Request and studied by the Transmission Provider.

- b. All other Economic Study Requests will be deemed sub-regional or regional requests and be forwarded to WECC for inclusion in the WECC Economic Planning Study Master List and for consideration as a priority request at WECC's stakeholder meeting. The criteria utilized by WECC to prioritize study requests are contained in its Transmission Planning Protocol.
5. Priority of Requests: The Transmission Provider may identify up to one (1) high priority Local Transmission Provider Economic Planning Request for study for the purpose of alleviating congestion through the integration of new supply and demand resources into the local transmission grid or expanding the local transmission system.

 - a. A sponsor of an Economic Study not prioritized as a high priority study may re-submit the Economic Study Request for study consideration in the next economic planning cycle or may fund the study as an Additional Economic Study.
6. Economic Study Process: The Transmission Provider will study valid Economic Study Requests in a manner that is open, transparent, and coordinated with Stakeholders utilizing the TCPC or other method established by the Transmission Provider.
7. Economic Study Contents: Economic Studies will include, but not be limited to: the location and magnitude of congestion, possible congestion remedies, and the cost of relieving congestion.
8. Customer Obligation to Share Data: Eligible Customers requesting an Economic Study will, upon request of the Transmission Provider, supply all relevant information necessary to perform the Economic Study. If the Eligible Customer fails to provide the information requested, the Transmission Provider will have no obligation to complete the study.
9. Additional Economic Studies: Economic Study Requests that are not prioritized as the highest priority local study will be referred to as Additional Economic Studies. The Eligible Customer or sponsor will pay for actual costs to perform Additional Economic Studies.

10. Recovery of Planning Costs: The costs to complete a study of a high priority Local Transmission Provider Economic Planning Request will be recovered through the Transmission Provider's transmission rates. The cost for Additional Economic Studies will be borne by the sponsor of the Economic Study Request.
11. Clustering of Economic Study Requests: The Transmission Provider may determine that any number of Economic Study Requests should be studied together, or an entity that requests the study may request that the Transmission Provider study its request together with other requests. The Transmission Provider will consider the following criteria in determining whether or not to cluster multiple Local Transmission Provider Economic Planning Requests that have been identified as high priority by the Transmission Provider through coordination with the TCPC:
 - a. All submitted Local Transmission Provider Economic Planning Requests designated as high priority will be evaluated by the Transmission Provider to determine if the requests can be feasibly and meaningfully studied as a group taking into account the scope of the requests.
 - b. Upon the decision of the Transmission Provider to include the evaluated high priority Local Transmission Provider Economic Planning Requests into a clustered study, the Transmission Provider will provide the entity that requested the study notice of proposed inclusion of its request within a clustered study. That entity will be given the opportunity to opt out of the clustered study by providing written notice to the Transmission Provider within ten business days of notice of inclusion in the proposed clustered study.
 - c. Should an entity that requests a study wish to cluster its request with other Local Transmission Provider Economic Planning Requests, it must provide to the Transmission Provider written consent of all entities whose requests would be included in the proposed clustered study. The Transmission Provider reserves the right to reject a proposed clustered study on any reasonable grounds. The Transmission Provider must determine whether to reject the proposed clustered study and provide written notice of rejection to all participating entities within twenty (20) business days.

D. Dispute Resolution

1. Process: If a dispute arises concerning either a procedural or substantive matter within the Commission's jurisdiction, the following dispute resolution process will apply:
 - a. WECC: If the dispute is within the scope of WECC dispute resolution procedures, then those procedures will apply.
 - b. Non-WECC Disputes: For disputes not within the scope of the WECC dispute resolution procedures, the dispute resolution procedures set forth in Section 12 of the Tariff will apply, with the added provision that upon agreement of the parties, any dispute that is not resolved by direct negotiation between or among the affected parties within a reasonable period of time, may be referred to mediation (before or during arbitration), and all applicable timelines will be suspended until such time as the mediation process terminates (unless otherwise agreed by the parties). Notwithstanding that the dispute resolution procedures under Section 12 of the Tariff apply only to the Transmission Provider and transmission customers, Section 12 of the Tariff will be deemed to be applicable to Stakeholders for purposes of this Attachment K.
 - c. Notwithstanding anything to the contrary in this Section II.D, any affected party may refer the matter to the Commission for resolution at any time.

E. Planning for Public Policy Requirements in the Local Transmission Planning Process

1. Procedures for Identifying Transmission Needs Driven by Public Policy Requirements

Stakeholders may participate in identifying local transmission needs driven by Public Policy Requirements by contacting the Transmission Provider via the contact information listed on the Transmission Provider's OASIS. In addition, Stakeholders may offer input or make proposals at Transmission Provider's open meetings held pursuant to this Attachment K.

In selecting those local transmission needs driven by Public Policy Requirements that will be evaluated for solutions in the current planning cycle, Transmission Provider is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

- (i) Whether the Public Policy Requirement is driving a local transmission need that can be reasonably identified in the current planning cycle;
- (ii) the feasibility of addressing the local transmission need driven by the Public Policy Requirement in the current planning cycle;
- (iii) the factual basis supporting the local transmission need driven by the Public Policy Requirement; and
- (iv) whether a Public Policy Requirement has been identified for which a local transmission need has not yet materialized, or for which there may exist a local transmission need but the development of a solution to that need is premature. One example is a renewables portfolio increase that is enacted for implementation in a future year, and for which the process by which the renewable resource is to be identified, selected, and sited under the governing state-regulated resource adequacy process has not yet begun (making it premature to identify the location and scope of the local transmission need and/or the appropriate solution for the need).

No single factor will be determinative in selecting among the potential transmission needs driven by Public Policy Requirements.

The Transmission Provider is not required to identify any particular set of local transmission needs driven by Public Policy Requirements. After considering the input of Stakeholders, the Transmission Provider is to determine whether to move forward with the identification of a local solution to a particular Stakeholder-identified local need driven by Public Policy Requirements.

If a Stakeholder suggests a local transmission need driven by a Public Policy Requirement, and the Transmission Provider decides not to evaluate local solutions to address the need, the Transmission Provider will post on its OASIS an explanation of its decision.

2. Procedures for Evaluating Solutions to Identified Transmission Needs

For identified local transmission needs driven by Public Policy Requirements and selected by the Transmission Provider for further evaluation, Stakeholders may provide comments on proposed solutions or may submit other proposed solutions to such local transmission needs.

After seeking the Stakeholder input, the Transmission Provider will determine whether to select a local solution for inclusion in its LTP and post the LTP on its OASIS. The procedures for evaluating potential solutions to the identified local transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the local transmission planning process.

3. Posting of Public Policy Needs

The Transmission Provider will maintain on its OASIS (i) a list of all identified local transmission needs driven by Public Policy Requirements and included in the studies for the current local planning cycle; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

III. Regional Transmission Planning Process

This Attachment K to the Tariff implements the requirements for regional planning in accordance with Order No. 1000 and Order No. 890. The Transmission Provider engages in regional planning and coordination within the WestConnect regional process (Regional Planning Process), which also includes the Transmission Provider's participation in interregional planning through its participation in WestConnect.

The purpose of the WestConnect Regional Planning Process is to produce a regional transmission plan (the Regional Plan) and provide a process for evaluating projects submitted for cost allocation in accordance with the provisions of this Attachment K and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business Practice Manual, as may be amended from time to time, available on the WestConnect website (Business Practice Manual).

A. Overview

The WestConnect Planning Region is defined by the transmission owners and transmission provider members (referred to generally in Section III of this Attachment K as Transmission Owners) participating in the Regional Planning Process and for whom WestConnect is

conducting regional planning. The service areas of the Transmission Owners consist of all or portions of nine states: Arizona, California, Colorado, Nebraska, New Mexico, Nevada, South Dakota, Texas and Wyoming. Non-public utilities are invited to participate in the Regional Planning Process.

The WestConnect Order No. 1000 regional transmission planning management committee (the Planning Management Committee or PMC) will be responsible for administering the Regional Planning Process. WestConnect began its biennial process in 2016. WestConnect conducted an abbreviated planning process in 2015.

In conjunction with creating the new PMC, the WestConnect members, in consultation with interested Stakeholders, have established a separate project agreement (the Planning Participation Agreement) to permit interested Stakeholders to participate in the Regional Planning Process. Although the Regional Planning Process is open to the public, Stakeholders interested in having a voting right in decisions related to the Regional Planning Process will be required to execute the Planning Participation Agreement and any necessary confidentiality agreements.¹ The PMC will implement the Stakeholder-developed Regional Planning Process, which will result in a Regional Plan for the ten-year transmission planning horizon.²

Note 1: If the Planning Participation Agreement is terminated, the requirement of becoming a signatory to the Planning Participation Agreement also terminates. In that situation, it would no longer be necessary for an entity to execute the Planning Participation Agreement before engaging in the WestConnect regional planning process, because the PMC will cease performing its functions under this Attachment K upon termination of the Planning Participation Agreement.

Note 2: Because the rights and responsibilities of the PMC terminate when the Planning Participation Agreement terminates, the Transmission Provider will have to satisfy its regulatory compliance through other means. At that time, the Transmission Provider will make an appropriate filing with the Commission to demonstrate its continued compliance with Order No. 1000.

The Transmission Provider is a signatory to the WestConnect STP Project Agreement. (See www.westconnect.com). The committees formed under the WestConnect STP Project Agreement and the WestConnect Steering Committee have no authority over the PMC and the PMC's decision making in implementing the Regional Planning Process.

1. WestConnect Planning Participation Agreement

Each WestConnect member will be a signatory to the Planning Participation Agreement, which formalizes the members' relationships and establishes obligations, including Transmission Owner coordination of regional transmission planning among the WestConnect participants and the local transmission planning processes, and producing a Regional Plan.

2. Members

WestConnect has two types of members: (i) Transmission Owners that enroll in the WestConnect Planning Region in order to comply with Order No. 1000 planning and cost allocation requirements, as well as Transmission Owners that elect to participate in the WestConnect Regional Planning Process without enrolling for Order No. 1000 cost allocation purposes, and (ii) Stakeholders who wish to have voting input into the methodologies, studies, and decisions made in the execution of those requirements.

a. Joining the WestConnect Planning Region

A Transmission Owner that wishes to enroll or participate in the WestConnect Planning Region may do so by executing the Planning Participation Agreement and paying its share of costs as provided for in the Planning Participation Agreement.

A Stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the Planning Participation Agreement, paying annual dues, and complying with applicable provisions as outlined in such agreement. For further information regarding membership dues, please see WestConnect's Planning Participation Agreement, located at www.westconnect.com and on file with FERC.

b. Exiting the WestConnect Planning Region

Should a Transmission Owner member wish to exit the WestConnect Planning Region, it must submit notice in accordance with the Planning Participation Agreement and pay its share of any WestConnect expenditures approved prior to providing its formal notice of withdrawal from the WestConnect Planning Region.

Should a Stakeholder wish to exit the WestConnect Planning Region, it may do so by providing notice in accordance with the Planning Participation Agreement. Withdrawing Stakeholders will forfeit any monies or dues paid to the PMC and agree to remit to the PMC any outstanding monies owed to WestConnect prior to their withdrawal being considered official.

c. List of Enrolled Entities

Transmission Owners enrolled in the WestConnect Planning Region for purposes of Order No. 1000:

- Arizona Public Service Company
- Basin Electric Power Cooperative
- Black Hills Colorado Electric Utility Company, LP
- Black Hills Power, Inc.
- Cheyenne Light, Fuel, & Power Company
- El Paso Electric Company
- NV Energy, Inc. Operating Companies
- Public Service Company of Colorado
- Public Service Company of New Mexico
- Tri-State Generation and Transmission Association, Inc.
- Tucson Electric Power Company
- UNS Electric, Inc.

3. WestConnect Objectives and Procedures for Regional Transmission Planning

The Regional Planning Process will produce a Regional Plan that complies with existing Order No. 890 principles:

- a. Coordination
- b. Openness
- c. Transparency
- d. Information exchange
- e. Comparability
- f. Dispute resolution

The Transmission Provider, along with the other Planning Participation Agreement participants, shall work through the Regional Planning Process to integrate its transmission plan with the other WestConnect participant transmission plans into a single ten year Regional Plan for the WestConnect footprint by:

- a. Actively coordinating development of the Regional Plan, including incorporating information, as appropriate, from all Stakeholders;

- b. Coordinating, developing and updating common base cases to be used for all study efforts within the Regional Planning Process and ensuring that each plan adheres to the methodology and format developed for the Regional Plan;
- c. Providing funding for the Regional Planning Process and all planning management functions pursuant to the Planning Participation Agreement;
- d. Maintaining a regional planning section at www.westconnect.com, where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted;
- e. Posting detailed notices of all regional and local planning meeting agendas on the WestConnect website; and
- f. Establishing a cost allocation process for regional transmission projects selected in the Regional Planning Process for cost allocation.

B. Roles in the Regional Planning Process

1. PMC Role

The PMC is responsible for bringing transmission planning information together and sharing updates on active projects. The PMC provides an open forum where any Stakeholder interested in the planning of the regional transmission system in the WestConnect footprint can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system. On a biennial basis and in coordination with its members, Transmission Owners, and other interested Stakeholders, the PMC will develop the Regional Plan. The PMC, after considering the data and comments supplied by customers and other Stakeholders, is to develop a regional transmission plan that treats similarly-situated customers (e.g., network, retail network, and native load) comparably in transmission system planning.

The PMC is charged with development and approval of the Regional Plan. The PMC will be comprised of representatives from each Stakeholder sector. The PMC will be empowered to create and dissolve subcommittees as necessary to facilitate fulfillment of its responsibilities in developing the Regional Plan.

2. Stakeholder Participation and Assistance

Stakeholders may participate in the Regional Planning Process by any one or more of the following ways: (a) joining one of five WestConnect regional transmission planning membership sectors described below; (b) by attending publicly-posted WestConnect regional transmission planning Stakeholder meetings; and/or (c) by submitting project proposals for consideration and evaluation in the Regional Planning Process.

Attendance at meetings is open to all interested Stakeholders. These meetings will include discussion of models, study criteria and assumptions, and progress updates. Formal participation, including voting as allowed by the process, can be achieved through payment of applicable fees and annual dues in accordance with the Planning Participation Agreement. Transmission Owners with a Load Serving Obligation will not be responsible for annual dues because Transmission Owners with a Load Serving Obligation will be the default source of monies to support WestConnect activities beyond dues paid by other organizations.

WestConnect Planning Region members will assist Stakeholders interested in becoming involved in the Regional Planning Process by directing them to appropriate contact persons and websites. See www.westconnect.com. All Stakeholders are encouraged to bring their plans for future generators, loads, or transmission services to the WestConnect planning meetings. Each transmission planning cycle will contain a period during which project ideas are accepted for potential inclusion in that cycle's Regional Plan.

3. Forum for Evaluation

The WestConnect Regional Planning Process also provides a forum for transmission project sponsors to introduce their specific projects to interested Stakeholders and potential partners and allows for joint study of these projects by interested parties, coordination with other projects, and project participation, including ownership from other interested parties. This may include evaluation of transmission alternatives or non-transmission alternatives in coordination with the Regional Planning Process.

4. Stakeholder Meetings

WestConnect will hold open Stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the PMC with 30 days advance notice to update Stakeholders about its progress in developing the Regional Plan and to solicit input regarding material matters of process related to the Regional Plan. Notice for such meetings will be posted on the WestConnect website and via email to the Regional Planning Process email distribution list.

The meeting agendas for all WestConnect planning meetings will be sufficiently detailed, posted on the WestConnect website, and circulated in advance of the meetings in order to allow Stakeholders the ability to choose their meeting attendance most efficiently.

5. WestConnect Planning Process Governance

a. Membership Sectors

The Regional Planning Process will be governed by the PMC, which will be tasked with executing the Regional Planning Process and will have authority for approving the Regional Plan. For those entities desiring to be a part of the management of the Regional Planning Process, one of five PMC membership sectors is available:

- Transmission Owners with Load Serving Obligation
- Transmission Customers
- Independent Transmission Developers and Owners
- State Regulatory Commissions
- Key Interest Groups

Only Transmission Owners that have load serving obligations individually or through their members may join the Transmission Owners with Load Serving Obligations membership sector. The Transmission Owners with Load Serving Obligations sector will be comprised of (a) those Transmission Owners that enroll in the WestConnect Planning Region for purposes of Order No. 1000; and (b) those Transmission Owners that elect to participate in the WestConnect Regional Planning Process as Coordinating Transmission Owners (CTO).

Except for public utilities that are required to comply with Order No. 1000, any entity may join any membership sector for which it qualifies, but may only participate in one membership sector at a time. If a non-public utility is qualified to join the Transmission Owners with Load Serving Obligations sector as well as one or more other sectors, and the non-public utility elects to join a sector other than the Transmission Owners with Load Serving Obligations sector, the PMC will not perform the function of regional transmission planning for that entity. Additionally, if a member of the Transmission Owner with Load Serving Obligations sector owns transmission facilities located in another planning region, the PMC will not perform the function of regional planning for such facilities located in another planning region.

b. Planning Management Committee

The PMC will be empowered to create and dissolve subcommittees as necessary to ensure timely fulfillment of its responsibilities; to assess fees for membership status on the PMC; and to assess fees for projects submitted for evaluation as part of the Regional Planning Process. The PMC is to manage the Regional Planning Process, including approval of the Regional Plan that includes application of regional cost allocation methodologies.

The PMC is to coordinate and have the decision making authority over whether to accept recommendations from the Planning Subcommittee (PS) and Cost Allocation Subcommittee (CAS). The PMC, among other things, is to develop and approve the Regional Plan based on recommendations from the PS and CAS; and develop and approve a scope of work, work plan, and periodic reporting for WestConnect planning functions, including holding a minimum of two Stakeholder informational meetings per year. The PMC is to appoint the chair of the PS and CAS. The chair for each subcommittee must be a representative of the Transmission Owners with Load Serving Obligations member sector.

The PS responsibilities include, but are not limited to, reviewing and making recommendations to the PMC for development of study plans, establishing base cases, evaluating potential solutions to regional transmission needs, producing and recommending the Regional Plan for PMC approval, and coordinating with the CAS. The PS is to provide public notice of committee meetings and provide opportunities for Stakeholders to provide comments on the process and proposed plan.

The CAS responsibilities include, but are not limited to, performing and/or overseeing the performance of the cost allocation methodology. The CAS also is to review and make recommendations to the PMC for modifying definitions of benefits and cost allocation methodology as necessary to meet WestConnect planning principles on identification of beneficiaries and cost allocation. The CAS is to review and recommend projects to the PMC for purposes of cost allocation identified in the Regional Planning Process. The CAS is to provide public notice of committee meetings and provide opportunities for Stakeholders to provide comments on the process and proposed cost allocation.

All actions of the PMC (including approval of the Regional Plan) will be made possible by satisfying either of the following requirements:

- 75% of the members voting of at least three (3) sectors approving a motion, where one of the three sectors approving is the Transmission Owners with Load Serving Obligation sector; or

- 75% of the members voting of the four member sectors other than the Transmission Owners with Load Serving Obligation sector approving a motion and two-thirds (2/3) of the members voting of the Transmission Owners with Load Serving Obligation sector approving a motion.

Each entity within a membership sector is entitled to one vote on items presented for decision.

Any closed executive sessions of the PMC will be to address matters outside of the development of the Regional Planning Process, including matters involving contracts, personnel, financial matters, or legal matters such as, but not limited to, litigation (whether active or threatened).

C. Submission of Data by Customers, Transmission Developers, and Transmission Owners

When stakeholder feedback on modeling assumptions is requested, the data submittal period for such feedback will be established by the PMC. In all cases, requests for submittal of data from WestConnect members and Stakeholders will be followed by a data submittal window lasting no less than thirty (30) days from the date of such requests. In addition, consistent with the Regional Planning Process, any interested Stakeholder may submit project ideas for consideration in the Regional Plan without a need for that Stakeholder to qualify for a project submittal for purposes of cost allocation. Specific project submittals are treated differently than generalized project ideas. For any project submittal seeking study by the PMC in the Regional Planning Process to address a regional need identified by the PMC (without regard to whether the project seeks cost allocation), a project submittal deposit will be collected and made subject to later true-up based upon the actual cost of the study(ies) performed. Project submittals are to be accepted through the fifth (5th) quarter of the planning cycle (or first (1st) quarter of the second (2nd) year), and are addressed in Section III.C.5 of this Attachment K. A timeline detailing the timing and notice for submission of information and input can be found in Exhibit 1 of this Attachment K.

1. Transmission Customers

Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect member's local transmission planning process. However, from time to time, there may be a need for transmission customers participating in the Regional Planning Process to submit data directly to WestConnect. This data may include, but is not limited to load forecasts, generation resource plans, demand side management resources, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

No less than thirty (30) days' notice will be given for customers to submit any required data and data submissions will generally be able to be made via email or by posting information to a designated website.

2. Independent Transmission Developers and Owners

Transmission Developers are entities with project ideas they wish to submit into the Regional Planning Process. These may include project submittals that the developer wishes to be considered to address an identified regional need (whether or not the project is eligible for regional cost allocation).

Each regional transmission planning cycle will include a submission period for project ideas as described in Section III.C.5 below. Notice of the submission period will be posted on the WestConnect website (*see* www.westconnect.com) and will also be made via email to WestConnect Stakeholders. The submission period will last for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the Regional Planning Process to address an identified regional need may do so.

Projects proposed by Independent Transmission Developers and Owners are subject to the same Reliability Standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer shall register with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organizations, and all local, state, regional, and federal requirements.

3. Merchant Transmission Developers

Merchant transmission developers are entities pursuing completion of projects that do not wish to have their projects considered for regional cost allocation. Nonetheless, coordination between merchant projects and the Regional Planning Process is necessary to effect a coordinated Regional Plan that considers all system needs.

Each regional transmission planning cycle will include a submission period for project submittals to address an identified regional need, as described in Section III.C.5 below. Notice of the submission period will be posted on the WestConnect website and will also be made via email to WestConnect Stakeholders. In addition, it is necessary for merchant transmission developers to provide adequate information and data to allow the PMC to assess the potential reliability and operational impacts of the merchant

transmission developer's proposed transmission facilities on other systems in the region. The submission period will last for no less than thirty (30) days and during this time sponsors of merchant transmission projects that are believed to impact the WestConnect transmission system will be asked to provide certain project information.

Projects proposed by merchant transmission developers are subject to the same Reliability Standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer is responsible for properly registering with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organization and all local, state, regional, and federal requirements.

4. Transmission Owners with Load Serving Obligation

Transmission Owners that are members of the WestConnect Planning Region are responsible for providing all necessary system information to the Regional Planning Process.

At the beginning of each regional transmission planning cycle, Transmission Owners that are participating in the Regional Planning Process shall be responsible for verifying the accuracy of any data (including, but not limited to system topology and project proposal information) they have previously submitted. Transmission Owners shall also be required to submit all relevant data for any new projects being proposed for inclusion in the Regional Plan to address an identified regional need in accordance with Section III.C.5 below. Transmission Owners shall also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the Regional Plan models.

5. Transmission Project Submittals

All submittals of transmission projects to address an identified regional need, without regard to whether or not the project seeks regional cost allocation, are to contain the information set forth below, together with the identified deposit for study costs, and be submitted timely within the posted submittal period in order for the project submittal to be eligible for evaluation in the Regional Planning Process. A single project submittal may not seek multiple study requests. To the extent a project proponent seeks to have its project studied under a variety of alternative project assumptions, the individual alternatives must be submitted as individual project submittals. To be eligible to propose a project for selection in the Regional Plan, a project proponent must also be an active

member in good standing within one of the five PMC membership sectors described above in Section III.B.5.a:

- Submitting entity contact information
- Explanation of how the project is a more efficient or cost-effective solution to regional transmission needs*
- A detailed project description including, but not limited to, the following:
 - Scope
 - Points of interconnection to existing (or planned) system
 - Operating Voltage and Alternating Current or Direct Current status
 - Circuit Configuration (Single, Double, Double-Circuit capable, etc.)
 - Impedance Information
 - Approximate circuit mileage
- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost*
- Any independent study work of or relevant to the project
- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- The project in-service date
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- A \$25,000 deposit to support the cost of relevant study work, subject to true-up (up or down) based upon the actual cost of the study(ies).* The true-up will include interest on the difference between the deposit and the actual cost, with such interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. A description of the costs to which the deposit was applied, how the costs were calculated, and an accounting of the costs will be provided to each project sponsor within 30 calendar days of the completion of the study. Dispute resolution is addressed pursuant to Section V.
- Comparison Risk Score from WECC Environmental Data Task Force, if available
- Impacts to other regions. The applicant must provide transmission system impacts studies showing system reliability impacts to neighboring transmission systems or another transmission planning region. The information should identify all costs associated with any required upgrades to mitigate adverse impacts on other transmission systems.*

*Merchant transmission developers are exempt from these requirements.

If impact studies and costs are not available at the time of submittal, the project proponent may request that impact studies be performed, at the project proponent's expense, as part of the analysis to determine whether the project is the more efficient or cost-effective solution. Requests for transmission system impact studies are approved through the PMC depending on whether the project proponent provides funding for the analysis. The PMC will provide, subject to appropriate confidentiality and CEII restrictions, the information in the possession of the PMC that an applicant needs to perform the transmission system impact study and to identify the costs associated with any upgrades required to mitigate adverse impacts.

There is to be an open submission period for project proposals to address identified regional needs. Notice of the submission period will be posted on the WestConnect website and will also be made via email to WestConnect Stakeholders. The submission period will last for no less than thirty (30) days and will end by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). Proposals submitted outside that window will not be considered. The PMC will have the authority to determine the completeness of a project submittal. Project submittals deemed incomplete will be granted a reasonable opportunity to cure any deficiencies identified in writing by the PMC.

Any Stakeholder wishing to present a project submittal to address an identified regional need shall be required to submit the data listed above for the project to be considered in the Regional Planning Process. Should the submitting Stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. The PMC retains the sole authority for determining completeness of the information submittal. After the completion of the project submittal period, the PMC will post a document on the WestConnect website detailing why any projects were rejected as incomplete. Upon posting of the document, any project submittal rejected as incomplete will be given a reasonable opportunity to cure the reason(s) it was rejected to the satisfaction of the PMC in its sole discretion.

6. Submission of Non-Transmission Alternative Projects

Any Stakeholder may submit projects proposing non-transmission alternatives to address an identified regional need for evaluation under the Regional Planning Process. The submission period will last for no less than thirty (30) days. The submission window

will end by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). The following criteria must be satisfied in order for a non-transmission alternative project submittal to be evaluated under the Regional Planning Process:

- Basic description of the project (fuel, size, location, point of contact)
- Operational benefits
- Load offset, if applicable
- Description of the issue sought to be resolved by the generating facility or non-transmission alternative, including reference to any results of prior technical studies
- Network model of the project flow study
- Short-circuit data
- Protection data
- Other technical data that might be needed for resources
- Project construction and operating costs
- Additional miscellaneous data (e.g., change files if available)

As with entities submitting a transmission project under Section III.C.5, those who submit under Section III.C.6 a non-transmission alternative under the Regional Planning Process must adhere to and provide the same or equivalent information (and deposit for study costs) as transmission alternatives, as described in Section III.C.5, above. Should the submitting Stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. Although non-transmission alternative projects will be considered in the Regional Planning Process, they are not eligible for regional cost allocation.

7. The WestConnect Regional Planning Cycle

The WestConnect regional transmission planning cycle is biennial. The WestConnect PMC will develop and publish a Regional Plan every other year.

D. Transmission Developer Qualification Criteria

1. In General

A transmission developer that seeks to be eligible to use the regional cost allocation methodology for a transmission project selected in the Regional Plan for purposes of cost allocation must identify its technical and financial capabilities to develop, construct,

own, and operate a proposed transmission project. To be clear, satisfaction of the criteria set forth below does not confer upon the transmission developer any right to:

- (i) construct, own, and/or operate a transmission project,
- (ii) collect the costs associated with the construction, ownership and/or operation of a transmission project,
- (iii) provide transmission services on the transmission facilities constructed, owned and/or operated.

The applicable governing governmental authorities are the only entities empowered to confer any such rights to a transmission developer. The PMC is not a governmental authority.

2. Information Submittal

A transmission developer seeking eligibility for potential designation as the entity eligible to use the regional cost allocation for a transmission project selected in the Regional Plan for purposes of cost allocation must submit to the PMC the following information during the first quarter of the WestConnect planning cycle:

a. Overview

A brief history and overview of the applicant demonstrating that the applicant has the capabilities to finance, own, construct, operate and maintain a regional transmission project consistent with Good Utility Practice within the state(s) within the WestConnect Planning Region. The applicant should identify all transmission projects it has constructed, owned, operated and/or maintained, and the states in which such projects are located.

b. Business Practices

A description of the applicant's experience in processes, procedures, and any historical performance related to engineering, constructing, operating and maintaining electric transmission facilities, and managing teams performing such activities. A discussion of the types of resources, including relevant capability and experience (in-house labor, contractors, other transmission providers, etc.) contemplated for the licensing, design, engineering, material and equipment procurement, siting and routing, Right-of-Way (ROW) and land acquisition, construction and project management related to the construction of transmission projects. The applicant should provide information related to any current or previous experience financing, owning, constructing, operating and maintaining and scheduling access to regional transmission facilities.

c. Compliance History

The applicant should provide an explanation of any violation(s) of NERC and/or Regional Entity Reliability Standards and/or other regulatory requirements pertaining to the development, construction, ownership, operation, and/or maintenance of electric transmission facilities by the applicant or any parent, owner, affiliate, or member of the applicant that is an Alternate Qualifying Entity under Section III.D.2.1. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section III.D.2, the applicant has not developed, constructed, owned, operated or maintained electric transmission facilities, the applicant shall instead submit such information for any electric distribution or generating facilities it develops, constructs owns, operates and/or maintains, as applicable, to demonstrate its compliance history.

d. Participation in the Regional Planning Process

A discussion of the applicant's participation within the Regional Planning Process or any other planning forums for the identification, analysis, and communication of transmission projects.

e. Project Execution

A discussion of the capability and experience that would enable the applicant to comply with all on-going scheduling, operating, and maintenance activities associated with project development and execution.

f. Right-of-Way Acquisition Ability

The applicant's preexisting procedures and historical practices for siting, permitting, landowner relations, and routing transmission projects including, acquiring ROW and land, and managing ROW and land acquisition for transmission facilities. Any process or procedures that address siting or routing transmission facilities through environmentally sensitive areas and mitigation thereof. If the entity does not have such preexisting procedures, it shall provide a detailed description of its plan for acquiring ROW and land and managing ROW and land acquisition.

g. Financial Health

The applicant must demonstrate creditworthiness and adequate capital resources to finance transmission projects. The applicant shall either have an investment grade credit rating from both S&P and Moody's or provide corporate financial statements for the

most recent five years for which they are available. Entities that do not have a credit rating, or entities less than five years old, shall provide corporate financial statements for each year that is available. Alternatively, the applicant may provide a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the PMC.

The following ratios must be provided with any explanations regarding the ratios:

- Funds from operations-to-interest coverage.
- Funds from operation-to-total debt.
- Total debt-to-total capital.
- The applicant must indicate the levels of the above ratios the company will maintain during and following construction of the transmission element.

The PMC may request additional information or clarification as necessary.

h. Safety Program

The applicant must demonstrate that it has an adequate internal safety program, contractor safety program, safety performance record and program execution.

i. Transmission Operations

The applicant must: demonstrate that it has the ability to undertake control center operations capabilities, including reservations, scheduling, and outage coordination; demonstrate that it has the ability to obtain required path ratings; provide evidence of its NERC compliance process and compliance history, as applicable; demonstrate any existing required NERC certifications or the ability to obtain any applicable NERC certifications; establish required Total Transfer Capability; provide evidence of storm/outage response and restoration plans; provide evidence of its record of past reliability performance, as applicable; and provide a statement of which entity will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training. A potential transmission developer will not be required to have an operations entity under contract at the time it seeks to be eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

j. Transmission Maintenance

The applicant must demonstrate that it has, or has plans to develop, an adequate transmission maintenance program, including staffing and crew training, transmission facility and equipment maintenance, record of past maintenance performance, NERC

compliance process and any past history of NERC compliance or plans to develop a NERC compliance program, and provide a statement of which entity will be performing maintenance on completed transmission facilities. A potential transmission developer will not be required to have a maintenance entity under contract at the time it seeks to be eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

k. Regulatory Compliance

The applicant must demonstrate the ability, or plans to develop the ability, to comply with Good Utility Practice, WECC criteria and regional Reliability Standards, NERC Reliability Standards, construction standards, industry standards, and environmental standards.

l. Affiliation Agreements

A transmission developer can demonstrate that it meets these criteria either on its own or by relying on an entity or entities with whom it has a corporate affiliation or other third-parties with relevant experience (Alternate Qualifying Entity(ies)). In lieu of a contractual or affiliate relationship with one or more Alternate Qualifying Entity(ies) and to the extent a transmission developer intends to rely upon third-parties for meeting those criteria, the transmission developer must provide in attestation form, an identification of its preferred third-party contractor(s) and indicate when it plans to enter into a definitive agreement with its third-party contractor(s). If the transmission developer seeks to satisfy the criteria in whole or in part by relying on one or more Alternate Qualifying Entity(ies), the transmission developer must submit: (1) materials demonstrating to the PMC's satisfaction that the Alternate Qualifying Entity(ies) meet(s) the criteria for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy; and (2) a commitment to provide in any project cost allocation application an executed agreement that contractually obligates the Alternate Qualifying Entity(ies) to perform the function(s) for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy.

m. WestConnect Membership

A transmission developer must be a member of either the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector, or must agree to join the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector and agreed to sign the Planning Participation Agreement if the transmission developer seeks

to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

n. Other

Any other relevant project development experience that the transmission developer believes may demonstrate its expertise in the above areas.

3. Identification of Transmission Developers Satisfying the Criteria

a. Notification to Transmission Developer

No later than September 30 each year, the PMC is to notify each transmission developer whether it has satisfied the stated criteria. A transmission developer failing to satisfy one or more of the qualification criteria is to be informed of the failure(s) and accorded an additional opportunity to cure any deficiency(ies) within thirty (30) calendar days of notice from the PMC by providing any additional information.

The PMC is to inform the transmission developer whether the additional information satisfies the qualification criteria within forty-five (45) calendar days of receipt of the additional information.

The PMC is to identify the transmission developers that have satisfied the qualification criteria (the “Eligible Transmission Developers”) by posting on the WestConnect website, on or before December 31 of each year.

b. Annual Recertification Process and Reporting Requirements

By June 30 of each year, each Eligible Transmission Developer must submit to WestConnect a notarized letter signed by an authorized officer of the Eligible Transmission Developer certifying that the Eligible Transmission Developer continues to meet the current qualification criteria.

The Eligible Transmission Developer shall submit to the PMC an annual certification fee equal to the amount of the WestConnect annual membership fee. If the Eligible Transmission Developer is a member of WestConnect and is current in payment of its annual membership fee, then no certification fee will be required.

If at any time there is a change to the information provided in its application, an Eligible Transmission Developer shall be required to inform the PMC chair within thirty (30) calendar days of such change so that the PMC may determine whether the Eligible

Transmission Developer continues to satisfy the qualification criteria. Upon notification of any such change, the PMC shall have the option to: (1) determine that the change does not affect the status of the transmission developer as an Eligible Transmission Developer; (2) suspend the transmission developer's eligibility status until any deficiency in the transmission developer's qualifications is cured; (3) allow the transmission developer to maintain its eligibility status for a limited time period, as specified by the PMC, while the transmission developer cures the deficiency; or (4) terminate the transmission developer's eligibility status.

c. Termination of Eligibility Status

The PMC may terminate an Eligible Transmission Developer's status if the Eligible Transmission Developer: (1) fails to submit its annual certification letter; (2) fails to pay the applicable WestConnect membership fees; (3) experiences a change in its qualifications and the PMC determines that it may no longer qualify as an Eligible Transmission Developer; (4) informs the PMC that it no longer desires to be an Eligible Transmission Developer; (5) fails to notify the PMC of a change to the information provided in its application within thirty (30) days of such change; or (6) fails to execute the Planning Participation Agreement as agreed to in the qualification criteria within a reasonable time defined by the PMC, after seeking to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

E. Overview of Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs and more efficient or cost-effective solutions to satisfy those needs. Consistent with Order Nos. 890 and 1000, qualified projects timely submitted through the Regional Planning Process will be evaluated and selected from competing solutions and resources such that all types of resources, as described below, are considered on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder proposing them. Where a regional transmission need is identified, the PMC is to perform studies that seek to meet that need through regional projects, even in the absence of project proposals advanced by Stakeholders or projects identified through the WECC process. When the PMC performs a study to meet an identified regional need in circumstances where no Stakeholder has submitted a project proposal to meet that regional need, the PMC is to pursue such studies in a not unduly discriminatory fashion. The study methods employed for PMC-initiated studies will be the same types of study methods employed for Stakeholder-initiated studies (*see, e.g.,* Section III.F addressing the use of NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects, Section III.G addressing the use of production cost modeling for regional

economic projects, and Section III.H addressing the identification of Public Policy Requirements for regional public policy-driven projects).

The solution alternatives will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to fulfill the identified need practically; (2) ability to meet applicable reliability criteria or NERC Transmission Planning (TPL) Reliability Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); (6) where applicable, consistency with Public Policy Requirements or regulatory requirements, including cost recovery through regulated rates; and (7) a project must be determined by the PMC to be a more efficient or cost-effective solution to one or more regional transmission needs to be eligible for regional cost allocation, as more particularly described below.

The Regional Planning Process provides for an assessment of regional solutions falling in one or more of the following categories:

- Regional reliability solutions
- Regional economic solutions
- Regional transmission needs driven by Public Policy Requirements
- Non-transmission alternatives

The Transmission Provider encourages all interested Stakeholders to consult the Business Practice Manual for additional details regarding the planning process, timing, and implementation mechanics.

All WestConnect Transmission Owners with Load Serving Obligation shall be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans will be included in the Regional Plan base case system models.

F. WestConnect Reliability Planning Process

Once the base case is established and verified, the PMC is to perform a regional reliability assessment in which the base case system models will then be checked for adherence to the relevant NERC or WECC Transmission Planning (TPL) Reliability Standards, through appropriate studies, including, but not limited to, steady-state power flow, voltage, stability, short circuit, and transient studies as outlined in the Business Practice Manual. If a reliability violation is identified in this power flow process, the violation will be referred back to the appropriate Transmission Owner.

The PMC will identify projects to resolve any regional violations that impact more than one Transmission Owner of relevant NERC or WECC Transmission Planning (TPL) Reliability Standards or WECC criteria. In addition, an opportunity will be afforded to any interested party to propose regional reliability projects that are more efficient or cost-effective than other proposed solutions. The PMC will then identify the more efficient or cost-effective regional transmission project that meets the identified regional transmission need, taking into account factors such as how long the project would take to complete and the timing of the need. Because local Transmission Owners are ultimately responsible for compliance with NERC Reliability Standards and for meeting local needs, the local transmission plans will not be modified, however, the PMC may identify more efficient or cost-effective regional transmission projects. As seen in Exhibit 1 of this Attachment K, the PMC will perform the regional reliability assessment and, if necessary, identify a regional need for transmission projects to resolve any violations that impact more than one Transmission Owner in the fourth quarter of the planning cycle.

G. WestConnect Economic Planning Process

As part of the Regional Planning Process, the PMC is to analyze whether there are projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other economic benefits to the WestConnect Planning Region through production cost modeling. This analysis also utilizes WECC Board-approved recommendations to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that has subsequently been validated by WestConnect. Additional projects may also be proposed by WestConnect Stakeholders or developed through the Stakeholder process for evaluation of economic benefits. Under the Regional Planning Process, the PMC will identify more efficient or cost-effective regional transmission projects, but will not modify local transmission plans.

The WestConnect economic planning process will analyze benefits via detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost and system congestion. The WestConnect economic planning process will also consider the value of decreased reserve sharing requirements in its development of a plan that is more efficient or cost-effective. As seen in Exhibit 1 of this Attachment K, the PMC will develop the production cost modeling analysis in the second (2nd) and third (3rd) quarters of the planning cycle and identify economic transmission projects in the sixth (6th) quarter and parts of the fifth (5th) and seventh (7th) quarters of the planning cycle.

H. WestConnect Public Policy Planning Process

1. Procedures for Identifying Transmission Needs Driven by Public Policy Requirements

It is anticipated that any regional transmission need that is driven by Public Policy Requirements will be addressed initially within the local planning cycles of the individual Transmission Owners in the WestConnect Planning Region through the consideration of local transmission needs driven by a Public Policy Requirement, since a Public Policy Requirement is a requirement that is imposed upon individual Transmission Owners (as opposed to a requirement that is imposed on a geographic region). For those Public Policy Requirements that affect more than one Transmission Owner in the WestConnect Planning Region, a solution identified at the local level to satisfy the local needs of the affected Transmission Owner(s), may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region.

WestConnect Transmission Owner members that are planning consistent with Order No. 890 will continue to conduct local transmission planning processes (Section II.A of this Attachment K), which provide a forum for discussions on local transmission needs driven by Public Policy Requirements. These local processes provide the basis for the individual Transmission Owners' local transmission plans, which are then incorporated into the regional base case at the start of the Regional Planning Process under Order No. 1000.

The PMC is to provide notice on the WestConnect website of both regional transmission planning meetings convened by the PMC for the WestConnect region, and local transmission planning meetings of the individual Transmission Owners in the WestConnect region.

The PMC will begin the evaluation of regional transmission needs driven by Public Policy Requirements by identifying any Public Policy Requirements that are driving local transmission needs of the Transmission Owners in the WestConnect Planning Region, and including them in the transmission system models (the regional base case) underlying the development of the Regional Plan. Then, the PMC will seek the input of Stakeholders in the WestConnect region on those Public Policy Requirements in an effort to engage Stakeholders in the process of identifying regional transmission needs driven by Public Policy Requirements. The PMC will communicate with Stakeholders through public postings on the WestConnect website of meeting announcements and discussion forums. In addition, the PMC is to establish an email distribution list for those Stakeholders who indicate a desire to receive information via electronic list serves.

After allowing for Stakeholder input on regional transmission needs driven by Public Policy Requirements and regional solutions to those needs, as part of the Regional

Planning Process, the PMC is to identify in the Regional Plan those regional transmission needs driven by Public Policy Requirements that were selected by the PMC for evaluation of regional solutions.

In selecting those regional transmission needs driven by Public Policy Requirements that will be evaluated for regional solutions in the current planning cycle, the PMC is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

- (i) whether the Public Policy Requirement is driving a regional transmission need that can be reasonably identified in the current planning cycle;
- (ii) the feasibility of addressing the regional transmission need driven by the Public Policy Requirement in the current planning cycle;
- (iii) the factual basis supporting the regional transmission need driven by the Public Policy Requirement; and
- (iv) whether a Public Policy Requirement has been identified for which a regional transmission need has not yet materialized, or for which there may exist a regional transmission need but the development of a solution to that need is premature.

No single factor shall necessarily be determinative in selecting among the potential regional transmission needs driven by Public Policy Requirements.

The process by which the PMC is to identify those regional transmission needs for which a regional transmission solution(s) will be evaluated, out of what may be a larger set of regional transmission needs, is to utilize the communication channels it has in place with Stakeholders, identified above (open meetings and discussion forums convened by the PMC), through which regional transmission needs driven by Public Policy Requirements are to be part of the open dialogue.

2. Procedures for Identifying Solutions to Regional Transmission Needs Driven by Public Policy Requirements

Stakeholders are to have opportunities to participate in discussions during the Regional Planning Process with respect to the development of solutions to regional transmission needs driven by Public Policy Requirements. Such participation may take the form of attending planning meetings, offering comments for consideration by the PMC on solutions to regional needs driven by Public Policy Requirements, and offering comments on proposals made by other stakeholders or by the PMC. Stakeholders that are members of the WestConnect PMC are performing the function of regional transmission planning and developing regional solutions to identified regional

transmission needs driven by Public Policy Requirements through membership on subcommittees of the PMC.

After allowing for Stakeholder input on solutions to regional transmission needs driven by Public Policy Requirements, as part of the Regional Planning Process, the PMC is to identify in the Regional Plan those regional transmission solutions driven by Public Policy Requirements that were selected by the PMC and any regional transmission project(s) that more efficiently or cost-effectively meet those needs.

The procedures for identifying and evaluating potential solutions to the identified transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the Regional Planning Process, whether or not submitted for purposes of cost allocation.

The PMC will perform a Public Policy Requirements analysis to help identify if a transmission solution is necessary to meet an enacted public policy. For a transmission need driven by Public Policy Requirements, the PMC will identify if a more efficient or cost-effective regional transmission solution exists based upon several different considerations, including consideration of whether the project is necessary and capable of meeting transmission needs driven by Public Policy Requirements, while also

- (i) Efficiently resolving any criteria violations identified by studies pursuant to any relevant NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects or WECC Transmission Planning (TPL) Reliability Standards or WECC criteria, as applicable, that could impact more than one Transmission Owner as a result of a Public Policy Requirement, or
- (ii) Producing economic benefits shown through detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost, system congestion and the value of decreased reserve sharing requirements.

The PMC will develop the public policy analysis in the sixth (6th) quarter and parts of the fifth (5th) and seventh (7th) quarters of the planning cycle.

3. Proposed Public Policy

A public policy that is proposed, but not required (because it is not yet enacted or promulgated by the applicable governmental authority) may be considered through

Section III.G (WestConnect Economic Planning Process) of this Attachment K, if time and resources permit.

4. Posting of Public Policy Needs

WestConnect will maintain on its website (i) a list of all transmission needs identified that are driven by Public Policy Requirements and that are included in the studies for the current regional transmission planning cycle; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

I. Consideration of Non-Transmission Alternatives

Non-transmission alternatives submitted in accordance with Section III.C.6 above will be evaluated to determine if they will provide a more efficient or cost-effective solution to an identified regional transmission need. Non-transmission alternatives include, without limitation, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines, such as distributed generation resources, demand side management (load management, such as energy efficiency and demand response programs), energy storage facilities and smart grid equipment that can help eliminate or mitigate a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet grid needs driven by Public Policy Requirements. Non-transmission alternatives are not eligible for regional cost allocation.

J. Approval of the WestConnect Regional Plan

The Cost Allocation Subcommittee is to submit, for review and comment, the results of its project benefit/cost analysis and beneficiary determination to the PMC Chair and to the identified beneficiaries of the transmission projects proposed for cost allocation. The PMC shall make available to its Members sufficient information to allow for a reasonable opportunity to comment on the proposed selection. The PMC shall not make a determination on the project benefit/cost analysis and beneficiary determination until it has reviewed all comments. Upon approval of the PMC, the project benefit/cost analysis and beneficiary identifications shall be posted by the PMC on the WestConnect website.

1. CTO Acceptance of Cost Allocation

Each CTO beneficiary will indicate whether it accepts the cost allocation for the project, as follows:

- (i) A CTO Member, in its sole discretion, may elect to accept a cost allocation for each separate transmission facility for which it is identified as a beneficiary, but only if it notifies the Chair of the PMC in writing of its decision to accept any such cost allocation within sixty (60) calendar days after the benefit/cost analysis is posted by the PMC under this Section III.J; provided, however, that the PMC has the discretion to extend the 60-day period when additional time is necessary for an identified beneficiary to complete its internal review and deliberation process before deciding to accept the cost allocation.
- (ii) A CTO Member giving notice that it elects to accept a cost allocation for a transmission facility may rescind that notice at any time prior to the end of the sixty (60) day period, or such extended period established in this Section III.J.1.i.
- (iii) A CTO Member that does not accept a cost allocation for a transmission facility will not be subject to cost allocation for that transmission facility.

The information made available under this Section III.J will be electronically masked and made available pursuant to a process that the PMC reasonably determines is necessary to prevent the disclosure of confidential information or CEII contained in the information.

2. Recalculation of Benefits and Costs for Reliability Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections III.F through III.H (for which the regional project would have avoided an alternative reliability project in such CTO's local transmission plan) will be removed as a regional transmission need for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation.

3. Recalculation of Benefits and Costs for Public Policy Requirements Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections III.F through III.H (for which the regional project would have avoided an alternative Public Policy Requirements project in such CTO's local transmission plan) will be removed as a regional transmission need for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation. This shall include any such CTO's resource needs necessary to comply with Public Policy Requirements.

4. Recalculation of Benefits and Costs for Economic Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission benefits which were included within the identification of the regional project's economic benefits under Sections III.F through III.H will be removed as a regional transmission benefit for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation. This shall include the value of any economic benefits determined through the regional transmission plan to accrue to such CTO.

5. Resultant Increase in Beneficiary Cost Allocation

Any regional transmission project that continues to meet the region's benefit/cost and other criteria for regional cost allocation will remain eligible for selection in the Regional Plan for purposes of cost allocation.

6. Approval of the WestConnect Regional Transmission Plan

Upon completion of the process outlined above, the PMC will vote on whether to accept the proposed plan. The Regional Plan will document why projects were either included or not included in the Regional Plan. In addition, the Regional Plan is to describe the manner in which the

applicable regional cost allocation methodology was applied to each project selected in the Regional Plan for purposes of regional cost allocation. Projects that meet system needs are incorporated into the Regional Plan. Participant funded projects and other types of projects may be included in the Regional Plan; however, those projects are not eligible for regional cost allocation.

K. Reevaluation of the WestConnect Regional Plan

The PMC is the governing body responsible for deciding whether to reevaluate the Regional Plan to determine if the conditions, facts and/or circumstances relied upon in initially selecting a transmission project for inclusion in the Regional Plan for purposes of cost allocation have changed and, as a result, require reevaluation. The Regional Plan and any project selected for cost allocation in the Regional Plan, including any local or single-system transmission projects or planned transmission system upgrades to existing facilities selected for purposes of cost allocation, shall be subject to reevaluation in each subsequent planning cycle according to the criteria below. Upon reevaluation, the Regional Plan and any projects selected for purposes of cost allocation in connection therewith may be subject to modification, including the status as a project selected for cost allocation, with any costs reallocated under Section VI as if it were a new project. Only the PMC has the authority to modify the status of a transmission project selected for cost allocation. Conditions that trigger reevaluation are:

- The underlying project characteristics and/or regional or interregional needs change in the Regional Plan. Examples include, but are not limited to: (a) a project's failure to secure a developer, or a developer's failure to maintain the qualifications necessary to utilize regional cost allocation, or (b) a change (increase or decrease) in the identified beneficiaries of a project (which changes may occur through company acquisitions, dissolutions, or otherwise), (c) a change in the status of a large load that contributes to the need for a project, or (d) projects affected by a change in law or regulation;
- Projects that are delayed and fail to meet their submitted in-service date by more than two (2) years. This includes projects delayed by funding, regulatory approval, contractual administration, legal proceedings (including arbitration), construction delays, or other delays;
- Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations; and

- Projects with a change in the calculation of benefits or benefit/cost (B/C) ratio that may affect whether the project selected for inclusion in the Regional Plan for purposes of cost allocation is a more efficient or cost-effective regional solution.
 - Example 1: Where an increase in the selected project's costs, including but not limited to, material, labor, environmental mitigation, land acquisition, operations and maintenance, and mitigation for identified transmission system and region, causes the total project costs to increase above the level upon which the project was initially selected for inclusion in the Regional Plan for purposes of cost allocation, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current cost information.
 - Example 2: A selected project's benefits may include identification of a reliability benefit in the form of remedying a violation of a Reliability Standard. If the identified beneficiary implements improvements, such as a Remedial Action Scheme, to achieve reliability in compliance with the Reliability Standard at issue, inclusion of the regional project in the regional plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current benefit information.
 - Example 3: Where a project's estimated benefits include benefits in the form of avoided costs (e.g., a regional project's ability to avoid a local project), and the project is not avoided, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current facts and circumstances.

Projects selected for purposes of cost allocation will continue to be reevaluated until all the following conditions have been met:

- State and federal approval processes completed and approved (including cost recovery approval under Section 205 of the Federal Power Act as applicable);
- All local, state, and federal siting permits have been approved; and
- Major construction contracts have been issued.

When the Regional Plan is reevaluated as a result of any of the conditions triggering reevaluation addressed above, the PMC is to determine if an evaluation of alternative transmission solutions is needed in order to meet an identified regional need. In doing so, the PMC is to use the same processes and procedures it used in the identification of the original transmission solution to the regional need. If an alternative transmission solution is needed, the incumbent Transmission Owner may propose one or more solutions that it would implement within its retail distribution service territory or footprint, and if such proposed solution is a transmission facility, the Transmission Owner may submit the project for possible selection in the Regional Plan for purposes of cost allocation.

Projects not subject to reevaluation include, but are not limited to, the following:

- Local or single system transmission projects that have been identified in individual Transmission Owner's Transmission Planning (TPL) Reliability Standards compliance assessments to mitigate reliability issues and that have not been proposed for (and selected by the PMC for) regional cost allocation; and
- Planned transmission system upgrades to existing facilities that have not been proposed for (and selected by the PMC for) regional cost allocation.

Projects meeting any of the following criteria as of the Effective Date will also not be subject to reevaluation under the Regional Planning Process:

- Projects of Transmission Owners who have signed the Planning Participation Agreement and that have received approval through local or state regulatory authorities or board approval;
- Local or single system transmission projects that have been planned and submitted for inclusion in the Regional Plan or exist in the 10-year corporate capital project budgets; and
- Projects that are undergoing review through the WECC Project Coordination and Rating Review Process as of the Effective Date.

L. Confidential or Proprietary Information

Although the Regional Planning Process is open to all Stakeholders, Stakeholders will be required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information, or information eligible for designation as CEII. From time to time, the regional transmission planning studies and/or open

Stakeholder meetings may include access to base case data that are WECC proprietary data, information classified as CEII by FERC, information eligible for designation as CEII, or other similar confidential or proprietary information. In such cases, access to such confidential or proprietary information shall be limited to only those Stakeholders that (i) hold membership in or execute a non-disclosure agreement (NDA) with WECC (*see* www.wecc.biz); or (ii) execute a non-disclosure agreement with the applicable WestConnect Planning Region members; or (iii) are parties to the Planning Participation Agreement, as may be applicable.

Any entity wishing to access confidential information, subject to all applicable Standards of Conduct requirements, discussed in the Regional Planning Process must execute an NDA, and submit it to NDA@westconnect.com.

IV. Coordination at the Western Interconnection Level

A. Transmission Provider-WestConnect Coordination

The Transmission Provider shall coordinate its plan on a regional basis through WestConnect. WestConnect will coordinate its Regional Plan with WECC.

B. Procedures for Interregional Planning Project Review

1. WECC Coordination of Reliability Planning

- a. WECC develops the Western Interconnection-wide databases for transmission planning analysis such as power flow, stability and dynamic voltage stability studies. The WECC-approved base cases are used for study purposes by transmission planners, regional transmission planning groups, and other entities that have signed non-disclosure agreements with WECC.
- b. WECC maintains a database for reporting the status of all planned projects throughout the Western Interconnection.
- c. WECC provides for coordination of planned projects through its Procedures for Regional Planning project review.
- d. WECC's path rating process ensures that a new project will have no adverse effect on existing projects.

2. WECC Open Stakeholder Meetings

Western Interconnection-wide economic planning studies are conducted by WECC in an open Stakeholder process that holds region-wide Stakeholder meetings on a regular basis. The WECC Transmission Planning Protocol, including the procedures for prioritizing and completing regional economic studies, is posted on the WECC website. See www.wecc.biz. The Transmission Provider participates in the region-wide planning processes, as appropriate, to ensure data and assumptions are coordinated.

3. Role of WECC

WECC provides two main functions in relation to the WestConnect Regional Planning Process:

a. Development and Maintenance of the West-Wide Economic Planning Study Database.

(i) WECC uses publicly available data to compile a database that can be used by a number of economic congestion study tools.

(ii) WECC's database is available for use in running economic congestion studies. For an interested Stakeholder to utilize WECC's PROMOD planning model, it must comply with WECC confidentiality requirements.

b. Performance of Economic Planning Studies

WECC has subcommittees and work groups through which it will update databases, develop and approve a study plan that includes studying transmission customer high priority economic planning study requests as determined by the open WECC Stakeholder process, perform the approved studies and document the results in a report.

c. Identification of Congested Paths for WestConnect Economic Review

Through WECC's economic study process, congested paths may be reviewed and identified as being candidates for economic transmission studies. Upon WECC Board approval of a designation for such a path and WestConnect validation, the Regional Planning Process will review the path for potential economic transmission solutions.

V. Dispute Resolution

In the event of a dispute concerning either a procedural or substantive matter within the jurisdiction of FERC, the following dispute resolution processes will apply:

A. WECC

If the dispute is one that is within the scope of the WECC dispute resolution procedures, then such procedures contained in the WECC Business and Governance Guidelines and Policies will apply. See www.wecc.biz.

B. Non-WECC Disputes

For disputes not within the scope of the WECC dispute resolution procedures, and for disputes not between or among the members of the PMC (which disputes will be subject to the dispute resolution provisions set forth in Section V.D), the dispute resolution procedures set forth in Section 12 of the Tariff will apply, with the added provision that upon agreement of the parties, any dispute that is not resolved by direct negotiation between or among the affected parties within a reasonable period of time, may be referred to mediation (before or during arbitration), and all applicable timelines will be suspended until such time as the mediation process terminates (unless otherwise agreed by the parties). Notwithstanding that the dispute resolution procedures under Section 12 of the Tariff apply only to the Transmission Provider and its transmission customers, Section 12 of the Tariff will be deemed to be applicable to Stakeholders for purposes of this Attachment K, except as otherwise provided herein.

All mediations and/or arbitrations arising from disputes under the Regional Planning Process in this Attachment K shall be held in Bismarck, North Dakota, unless otherwise agreed to by the Parties.

C. Resolution by FERC

Notwithstanding anything to the contrary in this Section V, any affected party may refer either a procedural or substantive matter within the Commission's jurisdiction to the Commission for resolution.

D. Disputes Between PMC Members

For disputes between members of the PMC, the following dispute resolution procedures are to apply:

1. Initiating Dispute Resolution

The disputing PMC member(s) initiates its dispute by providing written notification to the PMC (or a designated sub-committee of the PMC) in accordance with the provisions of the Planning Participation Agreement, in which event the PMC will seek to resolve the dispute through discussion, negotiation and the development of a recommended course of action. The PMC may act to adopt a resolution recommended by its own committee members or sub-committees, or alternatively the disputing parties may act to refer the dispute to arbitration for resolution.

2. Arbitration

A dispute may be referred to arbitration under the governing provisions of the Planning Participation Agreement.

3. Resolution by FERC

The availability of the dispute resolution avenues identified above does not eliminate a disputing PMC member's(s') right under the Federal Power Act to refer either a procedural or substantive matter within the Commission's jurisdiction to the Commission for resolution.

VI. Cost Allocation

A. Local Transmission Projects

Local Transmission Projects are projects located within a Transmission Owner's retail distribution service territory or footprint unless such projects are submitted and selected in the Regional Plan for purposes of cost allocation.⁴ A Transmission Owner is not precluded from proposing Local Transmission Projects for inclusion in the Regional Plan for purposes of cost allocation in the Regional Planning Process. A Local Transmission Project that is not submitted or not selected for inclusion in the Regional Plan is not eligible for cost allocation in the Regional Plan, and not subject to the provisions governing regional cost allocation set forth below.

Note 4: The reference to a Transmission Owner's "footprint" refers to the electrical footprint of the Transmission Owner (i.e. the location of that Transmission Owner's electrical assets) and not necessarily the physical/spatial footprint. Where a Transmission Owner within the WestConnect Planning Region is a transmission-only company with no retail distribution service territory, the term "footprint" would refer to the location of the transmission facilities of such transmission-only company.

For any transmission project where the Transmission Provider is the sole owner or such project is to be built within or for the benefit of the Transmission Provider's existing Transmission

System such as local, small and/or reliability transmission projects, the Transmission Provider shall proceed with the project pursuant to its rights and obligations as a transmission provider for the local area. Any projects necessary to ensure reliability or that provide economic benefits to the Transmission Provider's Transmission System and that fall outside the requirements for inclusion in the Regional Plan for purposes of cost allocation are eligible to be considered Local Transmission Projects.

The Transmission Provider may share ownership, and associated costs, of any new transmission project, based upon mutual agreement between the parties. Such a joint ownership arrangement may arise because of existing joint ownership of facilities in the area of the new facilities, overlapping service territories, or other relevant considerations.

1. Open Season Solicitation of Interest

For any transmission project identified through the Transmission Provider's reliability or economic planning studies in which the Transmission Provider is the project sponsor, the Transmission Provider may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination by the Transmission Provider to hold an open season solicitation of interest for a transmission project, the Transmission Provider will:

- a. Announce and solicit interest in the project through informational meetings, its website, and/or other means of dissemination as appropriate.
- b. Hold meetings with interested parties, state public utility commission staffs from potentially affected states, and other affected Stakeholders.
- c. Post information via the Transmission Provider's website.
- d. Develop the initial transmission project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.
- e. Whether as a project sponsor or a participant, coordinate as necessary with any other participant or sponsor, as the case may be, to integrate into the Transmission Provider's ten year Transmission Plan any other planned project on or interconnected with the Transmission Provider's Transmission System.

B. Regional Transmission Projects

For any project determined by the PMC to be eligible for regional cost allocation, project costs will be allocated proportionally to those entities determined by the PMC, as shown in the Regional Plan, to be beneficiaries in the WestConnect Planning Region, as identified in this Attachment K, subject to the processes set forth in Sections III through VI.

The PMC, with input from the CAS, is to determine whether a project is eligible for regional cost allocation, and assesses the project's costs against its benefits in accordance with the following factors:

- Benefits and beneficiaries will be identified before cost allocation methods are applied.
- Cost assignments shall be commensurate with estimated benefits.
- Those that receive no benefits must not be involuntarily assigned costs.
- A benefit-to-cost threshold of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded.
- Costs must be allocated solely within the WestConnect Planning Region, unless other regions or entities voluntarily assume costs.
- Costs for upgrades on neighboring transmission systems or other planning regions that are (i) required to be mitigated by the WECC Path Rating process, FERC tariff requirements, or NERC Reliability Standards, or (ii) negotiated among interconnected parties will be included in the total project costs and used in the calculation of B/C ratios.
- Cost allocation method and data shall be transparent and with adequate documentation.
- Different cost allocation methods may be used for different types of projects.

Specifically, the PMC will consider the following projects eligible for cost allocation consideration as further described below based on specified criteria:

- Reliability projects;
- Economic or congestion relief projects; or
- Public policy projects.

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses and other requirements, as specified herein, are eligible for cost allocation in the WestConnect Planning Region. The Transmission Provider encourages all interested Stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation assessment. Summary provisions are provided below:⁵

Note 5: References to “Transmission Owners” in the cost allocation provisions are to transmission owners for whom the WestConnect Planning Management Committee is performing the function of regional transmission planning. At present, those Transmission Owners are Transmission Owners with a Load Serving Obligation members.

1. Allocation of Costs for Reliability Projects

In order to allocate costs to Transmission Owners for system reliability improvements that are necessary for their systems to meet the NERC Transmission Planning (TPL) Reliability Standards, the WestConnect cost allocation procedure shall allocate costs for system reliability improvements only when a system improvement is required to comply with the NERC Transmission Planning (TPL) Reliability Standards during the planning horizon.

All components of a Transmission Owner’s local transmission plan shall be included in the Regional Plan and shall be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis shall be performed on the collective plans to ensure the combined plans adhere to all relevant NERC Transmission Planning (TPL) Reliability Standards and Stakeholders shall be afforded an opportunity to propose projects that are more efficient or cost-effective than components of multiple Transmission Owner local plans as outlined in Section III.F, above.

Should a reliability issue be identified in the review of the included local transmission plan, the project necessary to address that reliability issue shall be included in the Regional Plan and the cost shall be shared by the utilities whose load contributed to the need for the project.

Should multiple utilities have separate reliability issues that are addressed more efficiently or cost-effectively by a single regional project, that regional project shall be approved for selection in the Regional Plan and the cost shall be shared by those Transmission Owners in proportion to the cost of alternatives that could be pursued by the individual Transmission Owners to resolve the reliability issue. The ultimate responsibility for maintaining system reliability and compliance with NERC Transmission Planning (TPL) Reliability Standards rests with each Transmission Owner.

The costs for regional reliability projects shall be allocated according to the following equation:

$$\text{(1 divided by 2) times 3 equals 4}$$

Where:

- 1 is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant Transmission Owner's retail distribution service territory or footprint
- 2 is the total cost of local reliability upgrades in the combination of Transmission Owners' retail distribution service territories or footprints necessary to avoid construction of the regional reliability project
- 3 is the total cost of the regional reliability project
- 4 is the total cost allocated to the relevant Transmission Owner's retail distribution service territory or footprint

The manner in which the PMC applied this methodology to allocate the costs of each regional reliability project shall be described in the Regional Plan.

2. Allocation of Costs for Economic Projects

Cost allocation for economic projects associated with congestion relief that provide for more economic operation of the system will be based on the calculation of economic benefits that each Transmission Owner system will receive. Cost allocation for economic projects shall include scenario analyses to ensure that benefits will actually be received by beneficiaries with relative certainty. Projects for which benefits and beneficiaries are highly uncertain and vary beyond reasonable parameters based on assumptions about future conditions will not be selected for cost allocation.

In order for a project to be considered economically-justified and receive cost allocation associated with economic projects, the project must have a B/C ratio that is greater than 1.0 under each reasonable scenario evaluated and have an average ratio of at least 1.25 under all reasonable scenarios evaluated. Costs will be allocated on the basis of the average of all scenarios evaluated. The B/C ratio shall be calculated by the PMC. This B/C ratio shall be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

The cost of any project that has an aggregate 1.25 B/C ratio or greater will be divided among the Transmission Owners that show a benefit based on the amount of benefits calculated to each respective Transmission Owner. For example, if a \$100 million dollar project is shown to have \$150 million in economic benefit, the entities for which the economic benefit is incurred will be determined. The cost of the project will then be

allocated to those entities, based on the extent of each entity's economic benefits relative to the total project benefits. This will ensure that each entity that is allocated cost has a B/C ratio equal to the total project B/C ratio. For example:

- Project with \$150 million in economic benefit and \$100 million in cost
 - Company 1 has \$90 million in benefits; Company 2 has \$60 million in benefits
 - Company 1 allocation: $90/150 (100) = \$60$ million
 - Company 1 B/C ratio: $90/60 = 1.5$
 - Company 2 allocation: $60/150 (100) = \$40$ million
 - Company 2 B/C ratio: $60/40 = 1.5$

Other than through the reevaluation process described in Section III.J of this Attachment K, the benefits and costs used in the evaluation shall only be calculated during the planning period and shall be compared on a net present value basis.

The WestConnect economic planning process shall consider production cost savings and reduction in reserve sharing requirements as economic benefits capable of contributing to the determination that a project is economically justified for cost allocation. Production cost savings are to be determined by the PMC performing a product cost simulation to model the impact of the transmission project on production costs and congestion. Production cost savings will be calculated as the reduction in production costs between a production cost simulation with the project included compared to a simulation without the project. Reductions in reserve sharing requirements are to be determined by the PMC identifying a transmission project's impact on the reserve requirements of individual transmission systems, and not on the basis of the project's collective impact on a reserve sharing group, as a whole. The production cost models are to appropriately consider the hurdle rates between transmission systems. The following production cost principles may be applied:

- The production cost savings from a project must be present in each year from the project in-service date and extending out at least ten (10) years.
- Cost savings must be expressed in present-value dollars and should consider the impact of various fuel cost forecasts.
- The production cost study must account for contracts and agreements related to the use of the transmission system (this refers to paths in systems that might be contractually limited but not reliability limited).
- The production cost study must account for contracts and agreements related to the access and use of generation (this refers to generators that might only use spot purchases for fuel rather than firm purchases, or

generation that has been designated as network resources for some entities and thus cannot be accessed at will by non-owners).

Access by Stakeholders to the PMC's application of its regional cost allocation method for a specific economic transmission project is available in several ways: First, Stakeholders that are members of the PMC will have firsthand knowledge of the way in which the regional method was applied to a particular project because the PMC is responsible for performing the application of the regional cost allocation method. Second, Stakeholders that choose not to become members of the PMC may access such information through the WestConnect regional Stakeholder process. See Section III.B of this Attachment K. Third, the manner in which the PMC applied this methodology to allocate the costs of each economic project shall be described in the Regional Plan.

In determining which entities shall be allocated costs for economic projects, WestConnect shall compare the economic value of benefits received by an entity with the cost of the project to ensure that each entity allocated cost receives a benefit/cost ratio equal to the aggregate load-weighted benefit-to-cost ratio. These costs allocated to each company shall be calculated based on the following equation:

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the total projected present value of economic benefits for the relevant Transmission Owner
- 2 is the total projected present value of economic benefits for the entire project
- 3 is the total cost of the economic project
- 4 is the total cost allocated to the relevant Transmission Owner

Any Transmission Owner with benefits less than or equal to one percent of total project benefits shall be excluded from cost allocation. Where a project satisfies the B/C ratio, and is determined to provide benefits less than or equal to one percent of total project benefits to an identified Transmission Owner, such benefits will be re-allocated to all other identified beneficiaries on a pro rata basis, in relation to each entity's share of total project benefits.

3. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from Public Policy Requirements shall be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from proposed public policy shall be reported by each entity for its own service territory. Decisions on the inclusion of those

needs shall be made during the consideration and approval of the system models. Transmission needs driven by Public Policy Requirements will be included in the evaluation of reliability and economic projects.

Except for projects proposed through a Transmission Owner's local transmission planning process, arising out of a local need for transmission infrastructure to satisfy Public Policy Requirements that are not submitted as projects proposed for cost allocation (which are addressed in Section II of this Attachment K), any projects arising out of a regional need for transmission infrastructure to satisfy the Public Policy Requirements shall be considered public policy projects eligible for evaluation in the Regional Planning Process.

Stakeholders may participate in identifying regional transmission needs driven by Public Policy Requirements. After seeking the input of Stakeholders pursuant to the Stakeholder participation provisions of Section III, the PMC is to determine whether to move forward with the identification of a regional solution to a particular regional need driven by Public Policy Requirements. Stakeholders may participate in identifying a regional solution to a regional need driven by Public Policy Requirements pursuant to the Stakeholder participation provisions of Section III, or through membership on the PMC itself. After seeking the input of Stakeholders, the PMC is to determine whether to select a particular regional solution in the regional transmission plan for purposes of cost allocation. The identification of beneficiaries of these projects shall be the entities that shall access the resources enabled by the project in order to meet their Public Policy Requirements.

If an entity accesses resources that were enabled by a prior public policy project, that entity shall need to either share in its relative share of the costs of that public policy project or acquire sufficient transmission service rights to move the resources to its load with the determination left up to the entity or entities that were originally allocated the cost for the public policy project.

The costs for public policy projects shall be allocated according to the following equation:

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the number of megawatts of public policy resources enabled by the public policy project for the entity in question
- 2 is the total number of megawatts of public policy resources enabled by the public policy project

3 is the total project cost

4 is the cost for the public policy project allocated to the entity in question

The process to interconnect individual generation resources would be provided for under the generator interconnection section each utility's Open Access Transmission Tariff (OATT) and not under this process.

Requests for transmission service that originate in a member's system and terminate at the border shall be handled through that member's OATT. Regional transmission needs necessary to meet Public Policy Requirements shall be addressed through the Public Policy Requirements section of the Regional Planning Process.

The manner in which WestConnect applied this methodology to each public policy project shall be described in the Regional Transmission Plan.

4. Combination of Benefits

In developing a more efficient or cost-effective plan, it is possible for the plan to jointly consider multiple types of benefits when approving projects for inclusion in the Regional Plan. The determination to consider multiple types of benefits for a particular project shall be made through the WestConnect Stakeholder process, in which interested Stakeholders are given an opportunity to provide input as set forth in Section III of this Attachment K. In determining whether a project would provide multiple benefits, the PMC is to categorize the benefits as (a) necessary to meet NERC Transmission Planning (TPL) Reliability Standards (reliability); (b) achieving production cost savings or a reduction in reserve sharing requirements (economic); or (c) necessary to meet transmission needs driven by Public Policy Requirements, as applicable, using the methods set forth in this Attachment K. The PMC will identify all three categories of benefits in its regional cost allocation process. If a project cannot pass the cost allocation threshold for any one of the three benefit categories, alone (reliability, economic or public policy), the sum of benefits from each benefit category may be considered.

- With respect to a reliability-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater, by a margin of 1.25 or more to 1, than the result of the equation identified in Section VI.B.1 above (where the result is shown as item 4 in the formula).
- With respect to an economic-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater than the project's cost to each beneficiary under each reasonable scenario evaluated, and

must yield an average ratio of at least 1.25 to 1 under all reasonable scenarios evaluated, as described in Section VI.B.2 above.

- With respect to a Public Policy Requirements-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater, by a margin of 1.25 or more to 1, than the result of the equation identified in Section VI.B.3 above (where the result is shown as item 4 in the formula).

If a single regional transmission project is determined to provide benefits in more than one category, but does not meet the benefit-to-cost threshold for any single category, the PMC may consider the sum of benefits from each benefit category to determine if the regional transmission project provides, in total, benefits per beneficiary that meet or exceed the region's 1.25 to 1 benefit-to-cost ratio. To illustrate, consider the following example where a regional project developed to provide public policy requirement benefits might also provide for economic benefits to the same beneficiaries:

A regional project submittal has undergone analysis for its quantifiable benefits and costs and is determined to cost \$100 million and produce benefits to identified beneficiaries in two categories: economic benefits of \$101 million (on average, under all economic scenarios quantified), and public policy requirement benefits of \$70 million. The project is found to fail the benefit-to-cost threshold for each category, individually, but when the total benefits are combined and the project's total regional benefits per beneficiary are weighed against the project's total costs per beneficiary, the project can be found to meet or surpass the region's 1.25 to 1 benefit-to-cost ratio per beneficiary:

- The benefits to Beneficiary A of pursuing the regional solution (60% of the regional project's total \$171 million in benefits) = \$102.6 million. When \$102.6 million in project benefits is compared against \$60 million in project costs (60% of project costs), it yields a B/C ratio of 1.71 to 1 for Beneficiary A.
- The benefits to Beneficiary B of pursuing the regional solution (40% of the regional project's total \$171 million in benefits) = \$68.4 million. When \$68.4 million in project benefits is compared against \$40 million in project costs (40% of project costs), it yields a B/C ratio of 1.71 to 1 for Beneficiary B.

Even though the regional project does not pass the cost allocation threshold in any individual benefit category, the PMC may consider the sum of the project's benefits in all categories.

For those regional projects that satisfy the region's cost allocation threshold, the PMC then will continue its evaluation process by considering whether the regional project meets the region's identified reliability, economic and Public Policy Requirements-driven needs more efficiently or cost-effectively than solutions identified by individual transmission providers in their local transmission planning processes.

The costs for projects that rely upon multiple types of benefits to secure inclusion in the Regional Plan for purposes of cost allocation shall be shared according to the amount of cost that is justified by each type of benefit.

5. Allocation of Ownership and Capacity Rights

An Eligible Transmission Developer that is subject to the Commission's jurisdiction under Section 205 of the Federal Power Act may not recover project costs from identified beneficiaries in the WestConnect Planning Region without securing approval for project cost recovery from the Commission through a separate proceeding brought by the Eligible Transmission Developer under Section 205 of the Federal Power Act. In no event will identified beneficiaries in the WestConnect Planning Region from whom project costs are sought to be recovered under Section 205 be denied either transmission transfer capability or ownership rights proportionate to their allocated costs, as determined by the Commission in such proceeding. An Eligible Transmission Developer that is not subject to the Commission's jurisdiction under Section 205 of the Federal Power Act would have to seek cost recovery from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from the Commission for project cost recovery pursuant to any other applicable section of the Federal Power Act.

If a project beneficiary receives transmission transfer capability on the project in exchange for transmission service payments, such project beneficiary may resell the transfer capability. Alternatively, a project beneficiary could seek to make a direct capital contribution to the project construction cost (in lieu of making transmission service payments) in which case the project beneficiary would instead receive an ownership percentage in proportion to their capital contribution (Ownership Proposal). This Ownership Proposal does not create a right of first refusal for transmission beneficiaries.

An ownership alternative will only be pursued if the Eligible Transmission Developer agrees. The Eligible Transmission Developer and the beneficiaries will enter into

contract negotiations to address the many details regarding the capital funding mechanics and timing, as well as other details, such as defining (as between the Eligible Transmission Developer, whether a nonincumbent or incumbent transmission developer, and those receiving ownership interests) responsibility for operations and maintenance, administrative tasks, compliance with governing laws and regulations, etc. These negotiations will take place at arm's length, without any one party having undue leverage over the other.

A transmission project beneficiary should not be expected to pay for its benefits from the project twice: once through a capital contribution, and again through transmission service payments. The Ownership Proposal permits an ownership share in a project that is in the same proportion to a beneficiary's allocable costs, which costs will have been allocated roughly commensurate with the benefits to be gained from the project. This will allow the beneficiary to earn a return on its investment. In addition, it allows those beneficiaries that may not necessarily benefit from additional transfer capability on a new transmission project, whether due to lack of contiguity to the new facilities or otherwise, to realize the benefits through an ownership option.

Any transmission project participant that is identified as a beneficiary of the project might be permitted by the Eligible Transmission Developer to contribute capital (in lieu of transmission service payments) and receive a proportionate share of ownership rights in the transmission project. The Ownership Proposal affords an identified beneficiary who contributes toward the project costs the opportunity to obtain an ownership interest in lieu of an allocated share of the project costs through transmission service payments for transfer capability on the project; it does not, however, confer a right to invest capital in a project. The Ownership Proposal merely identifies that, to the extent it is agreed among the parties that capital may be contributed toward a transmission project's construction, a proportionate share of ownership rights will follow.

Nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes any new service on beneficiaries. Similarly, nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes on an Eligible Transmission Developer an obligation to become a provider of transmission services to identified beneficiaries simply as a result of a project's having been selected in the Regional Plan for purposes of cost allocation; provided, however, if that Eligible Transmission Developer seeks authorization to provide transmission services to beneficiaries or others, and to charge rates or otherwise recover costs from beneficiaries or others associated with any transmission services it were to propose, it must do so by contract and/or under separate proceedings under the Federal Power Act. The purpose of this Section VI.B.5 is to (a) provide an option to a project developer to negotiate ownership rights in the project with identified beneficiaries, if both the developer and the identified beneficiaries mutually

desire to do so, (b) specify that, although Order No. 1000 cost allocation does not impose any new service on beneficiaries, identified beneficiaries have the opportunity to discuss with the project developer the potential for entering into transmission service agreements for transmission capacity rights in the project, and (c) ensure that Order No. 1000 cost allocation does not mean that a project developer may recover project costs from identified beneficiaries without providing transmission transfer capability or ownership rights, and without securing approval for project cost recovery by contract and/or under a separate proceeding under the Federal Power Act.

If an Eligible Transmission Developer is not subject to FERC's jurisdiction under Section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

6. Project Development Schedule

The WestConnect PMC will not be responsible for managing the development of any project selected for inclusion in the Regional Plan. However, after having selected a project in the Regional Plan, the PMC will monitor the status of the project's development. If a transmission facility is selected for inclusion in the Regional Plan for purposes of cost allocation, the transmission developer of that transmission facility must submit a development schedule that indicates the required steps, such as the granting of state approvals, necessary to develop and construct the transmission facility such that it meets the regional transmission needs of the WestConnect Planning Region. As part of the ongoing monitoring of the status of the transmission project once it is selected, the Transmission Owners and Providers in the WestConnect Planning Region shall establish the dates by which the required steps to construct must be achieved that are tied to when construction must begin to timely meet the need that the project is selected to address. If such required steps have not been achieved by those dates, then the Transmission Owners and Providers in the WestConnect Planning Region may remove the transmission project from the selected category and proceed with reevaluating the Regional Plan to seek an alternative solution.

7. Economic Benefits or Congestion Relief

If an entity submits a request for a project wholly on the Transmission Provider's Transmission System for economic reasons or congestion relief, the project costs will be allocated to the entity submitting the request.

8. Selection of a Transmission Developer for Sponsored and Un-sponsored Projects

For any project (sponsored or unsponsored) determined by the PMC to be eligible for regional cost allocation and selected in the Regional Plan for purposes of cost allocation, the PMC shall select a transmission project developer according to the processes set forth in this section, provided that selection according to those processes does not violate applicable law where the transmission facility is to be built that otherwise prescribes the entity that shall develop and build the project. Any entity that, pursuant to applicable law for the location where the facilities are to be built, shall or chooses to develop and build the project must submit a project development schedule as required by Section VI.B.6 of this Attachment K, within the timeframe directed by the Business Practice Manual, not to exceed the time period for request for proposal responses.

For any project determined by the PMC to be eligible for regional cost allocation and selected in the Regional Plan for purposes of cost allocation, either sponsored by a transmission developer or unsponsored, that is not subject to the foregoing paragraph, the PMC shall upon posting the selected projects, issue a request for information to all Eligible Transmission Developers under Section III.D.3 of this Attachment K soliciting their interest in developing the project(s). Each transmission developer shall respond to the request for information indicating its interest in developing the project. The PMC shall post on the WestConnect website the list of all transmission developers who responded with an expression of interest in developing the project(s). The PMC shall provide to each developer indicating interest in developing a project a request for proposals for the identified project(s) with a specified date of return for all proposals.

Each transmission developer, or partnership or joint ventures of transmission developers, shall submit information demonstrating its ability to finance, own and construct the project consistent with the guidelines for doing so set forth in the WestConnect Business Practices Manual. The PMC shall assess the submissions according to the following process and criteria:

The evaluation of the request for proposals will be at the direction of the PMC, and will involve representatives of the beneficiaries of the proposed project(s). The evaluation will include, but not be limited to, an assessment of the following evidence and criteria.

- General qualifications of the bidding entity;
- Evidence of financing/financial creditworthiness, including

- financing plan (sources debt and equity), including construction financing and long-term financing
- ability to finance restoration/forced outages
- credit ratings
- financial statements;
- Safety program and experience;
- Project description, including
 - detailed proposed project description and route
 - design parameters
 - design life of equipment and facilities
 - description of alternative project variations;
- Development of project, including
 - experience with and current capabilities and plan for obtaining state and local licenses, permits, and approvals
 - experience with and current capabilities and plan for obtaining any federal licenses and permits
 - experience with and expertise and plan for obtaining rights of way
 - development schedule
 - development budget;
- Construction, including
 - experience with and current capabilities and plan for project construction
 - third party contractors
 - procurement plan
 - project management (cost and schedule control)
 - construction schedule
 - construction budget (including all construction and period costs;
- Operations, including
 - experience with and current capabilities and plan for project operation
 - experience with and current capabilities and plan for NERC compliance
 - security program and plan
 - storm/outage response plan
 - reliability of facilities already in operation;

- Maintenance capabilities and plans for project maintenance (including staffing, equipment, crew training, and facilities);
- Project cost to beneficiaries, including
 - total project cost (development, construction, financing, and other non-O&M costs)
 - operation and maintenance costs, including evaluation of electrical losses
 - revenue requirement, including proposed cost of equity, FERC incentives, proposed cost of debt and total revenue requirement calculation
 - present value cost of project to beneficiaries.

The PMC shall notify the developers of its determination as to which developer(s) it selected to develop the project(s) responsive to the request for proposal. The selected developer(s) must submit a project development schedule as required by Section VI.B.6 of this Attachment K.

If the PMC determines that a sponsored or unsponsored project fails to secure a developer through the process outlined in this section, the PMC shall remove the project from the Regional Plan.

After the PMC makes a determination, it will post a document on the WestConnect website within 60 days explaining the PMC's determination in selecting a particular transmission developer for a specific transmission project. The information will explain (1) the reasons why a particular transmission developer was selected or not selected, and, if applicable, (2) the reasons why a transmission project failed to secure a transmission developer.

9. No Obligation to Construct

The Regional Planning Process is intended to determine and recommend more efficient or cost-effective transmission solutions for the WestConnect Planning Region. After the Regional Plan is approved, due to the uncertainty in the planning process and the need to address cost recovery issues, the Regional Planning Process shall not obligate any entity to construct, nor obligate any entity to commit to construct, any facilities, including any transmission facilities, regardless of whether such facilities are included in any plan. Nothing in this Attachment K or the Planning Participation Agreement or any cost allocation under the Business Practice Manual or the Planning Participation Agreement will (1) determine any transmission service to be received by, or any transmission usage by, any entity, (2) obligate any entity to purchase or pay for, or obligate any entity to commit to purchase or pay for, any transmission service or usage, or (3) entitle any entity to recover for any transmission service or usage or to recover

from any entity any cost of any transmission facilities, regardless of whether such transmission facilities are included in any plan. Without limiting the generality of the foregoing, nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement with respect to an Order No. 1000 cost allocation shall preclude WestConnect or any other entity from carrying out any of its statutory authorities or complying with any of its statutory obligations.

10. Binding Order No. 1000 Cost Allocation Methods

Order No. 1000 cost allocation methods as set forth in Section VI of this Attachment K are binding on identified beneficiaries enrolled in the WestConnect Planning Region, without prejudice to the following rights and obligations: (1) the right of a CTO, at its sole discretion, to decide whether to accept regional cost allocation in accordance with Section III.J; (2) the right and obligation of the PMC to reevaluate a transmission facility previously selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation under Section III.K of this Attachment K; (3) the right and obligation of an Eligible Transmission Developer to make a filing under Section 205 or other applicable provision of the Federal Power Act in order to seek approval from the Commission to recover the costs of any transmission facility selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation; (4) the right and obligation of any interested person to intervene and be heard before the Commission in a proceeding under Section 205 or other applicable provisions of the Federal Power Act initiated by an Eligible Transmission Developer, including the right of any identified beneficiaries of the transmission facility to support or protest the filing and to present evidence on whether the proposed cost recovery is or is not just and reasonable; and (5) the right and obligation of the Commission to act under Section 205 or other applicable provisions of the Federal Power Act to approve or deny any cost recovery sought by an Eligible Transmission Developer for a transmission facility selected in the regional plan for purposes of Order No. 1000 cost allocation.⁶

Note 6: An Eligible Transmission Developer may not be subject to the Commission's Section 205 jurisdiction. See Section VI.B.5. If an Eligible Transmission Developer is not subject to FERC's jurisdiction under Section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from the Commission for project cost recovery pursuant to any other applicable section of the Federal Power Act.

11. Impacts of a Regional Project on Neighboring Planning Regions

The PMC is to study the impact(s) of a regional transmission project on neighboring planning regions, including the resulting need, if any, for mitigation measures in such neighboring planning regions. If the PMC finds that a regional transmission project in the WestConnect Planning Region causes impacts on a neighboring planning region that requires mitigation (a) by the WECC Path Rating Process, (b) under FERC OATT requirements, (c) under NERC Reliability Standards requirements, and/or (d) under any negotiated arrangement between the interconnected entities, the PMC is to include the costs of any such mitigation measures into the regional transmission project's total project costs for purposes of determining the project's eligibility for regional cost allocation under the procedures identified in Section VI.B of this Attachment K, including application of the region's benefits-to-costs analysis.

The WestConnect Planning Region will not be responsible for compensating a neighboring planning region, transmission provider, Transmission Owner, Balancing Area Authority, or any other entity, for the costs of any required mitigation measures, or other consequences, on their systems associated with a regional transmission project in the WestConnect Planning Region, whether identified by the PMC or the neighboring system(s). The PMC does not direct the construction of transmission facilities, does not operate transmission facilities or provide transmission services, and does not charge or collect revenues for the performance of any transmission or other services. Therefore, in agreeing to study the impacts of a regional transmission facility on neighboring planning regions, the PMC is not agreeing to bear the costs of any mitigation measures it identifies. However, the PMC will request of any developer of a regional transmission project selected in the Regional Plan for purposes of cost allocation that the developer design and build its project to mitigate the project's identified impacts on neighboring planning regions. If the project is identified as impacting a neighboring planning region that accords less favorable mitigation treatment to the WestConnect Planning Region than the WestConnect Planning Region accords to it, the PMC will request that the project developer reciprocate by using the lesser of (i) the neighboring region's mitigation treatment applicable to the mitigation of impacts of its own regional projects on the WestConnect Planning Region, or (ii) the PMC's mitigation treatment set forth above in sub-sections VI.B.11 (a) through (d).

12. Exclusions

The cost for transmission projects undertaken in connection with requests for generator interconnection or transmission service on the Transmission Provider's Transmission System, which are governed by existing cost allocation methods within the Tariff, shall continue to be so governed and shall not be subject to the principles of this Section VI.

As provided in Section 13.5 (Transmission Customer Obligations for Facility Additions and Redispatch Costs), Section 27 (Compensation for New Facilities and Redispatch Costs) and Section 31.2 (New Network Loads Connected with the Transmission Provider) of the Tariff, and the transmission customer's individual service agreement (if applicable), the transmission customer or entity requesting generator interconnection or transmission service shall be responsible for the installed cost of all new load serving interconnections or upgrades to existing load serving interconnections.

VII. Interregional Planning

This Part VII of Attachment K sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order 1000 interregional provisions. WestConnect is to conduct the activities and processes set forth in this Part VII of this part of Attachment K in accordance with the provisions of this Part VII of this part of Attachment K and the other provisions of this Attachment K.

Nothing in this part will preclude any Transmission Owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

Any Interregional Cost Allocation regarding any ITP (as defined herein) is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region.

References in this Part VII to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order 1000.

A. Definitions

The following capitalized terms where used in this Part VII of Attachment K, are defined as follows:

Annual Interregional Coordination Meeting: shall have the meaning set forth in Section VII.C below.

Annual Interregional Information: shall have the meaning set forth in Section VII.B below.

Interregional Cost Allocation: means the assignment of ITP costs between or among Planning Regions as described in Section VII.E.2 below.

Interregional Transmission Project (“ITP”): means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions and that is submitted into the regional transmission planning processes of all such Planning Regions in accordance with Section VII.D.1.

Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language: means this Part VII, which relates to Order No. 1000 interregional provisions.

Planning Region: means each of the following Order No. 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, ColumbiaGrid, Northern Tier Transmission Group, and WestConnect.

Relevant Planning Regions: means, with respect to an ITP, the Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with Section VII.D.2, at which time it shall no longer be considered a Relevant Planning Region.

B. Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, WestConnect is to make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in WestConnect’s transmission planning region and potential solutions thereto:

- (i) study plan or underlying information that would typically be included in a study plan, such as:
 - (a) identification of base cases;
 - (b) planning study assumptions; and
 - (c) study methodologies;
- (ii) initial study reports (or system assessments); and

(iii) regional transmission plan

(collectively referred to as “Annual Interregional Information”).

WestConnect is to post its Annual Interregional Information on its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process WestConnect’s Annual Interregional Information. WestConnect may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

WestConnect is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by WestConnect in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if WestConnect reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission’s Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by WestConnect shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under WestConnect’s regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by WestConnect shall be “AS IS” and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of WestConnect, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

C. Annual Interregional Coordination Meeting

WestConnect is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. WestConnect is to host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31st. The Annual Interregional Coordination Meeting is to be open to stakeholders. WestConnect is to provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

- (i) each Planning Region’s most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);

- (ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently; and
- (iii) updates of the status of ITPs being evaluated or previously included in WestConnect's regional transmission plan.

D. ITP Joint Evaluation Process

1. Submission Requirements

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section VII.D.2 by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31st of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region's regional transmission planning process. In addition to satisfying each Relevant Planning Region's information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

2. Joint Evaluation of an ITP

For each ITP that meets the requirements of Section VII.D.1, WestConnect (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with Section VII.D.1 or the immediately following calendar year. With respect to any such ITP, WestConnect (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

- (i) ITP data and projected ITP costs; and
- (ii) the study assumptions and methodologies it is to use in evaluating the ITP pursuant to its regional transmission planning process.

For each ITP that meets the requirements of Section VII.D.1, WestConnect (if it is a Relevant Planning Region):

- (a) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's evaluation of the ITP;
- (b) is to provide Stakeholders an opportunity to participate in WestConnect's activities under this Section VII.D.2 in accordance with its regional transmission planning process;
- (c) is to notify the other Relevant Planning Regions if WestConnect determines that the ITP will not meet any of its regional transmission needs; thereafter WestConnect has no obligation under this Section VII.D.2 to participate in the joint evaluation of the ITP; and
- (d) is to determine under its regional transmission planning process if such ITP is a more cost effective or efficient solution to one or more of WestConnect's regional transmission needs.

E. Interregional Cost Allocation Process

1. Submission Requirements

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with Section VII.D.1, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from WestConnect and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

2. Interregional Cost Allocation Process

For each ITP that meets the requirements of Section VII.E.1, WestConnect (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

- (i) assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;
- (ii) WestConnect's regional benefits stated in dollars resulting from the ITP, if any; and
- (iii) assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to Section VII.F.2 below) to each Relevant Planning Region using the methodology described in this Section VII.E.2.

For each ITP that meets the requirements of Section VII.E.1, WestConnect (if it is a Relevant Planning Region):

- (a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's analysis;
- (b) is to provide Stakeholders an opportunity to participate in WestConnect's activities under this Section VII.E.2 in accordance with its regional transmission planning process;
- (c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in WestConnect, WestConnect is to use its regional cost allocation methodology, as applied to ITPs;
- (d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;
- (e) is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; WestConnect may use such information to identify its total share of the projected costs of the ITP to be assigned to WestConnect in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in WestConnect;
- (f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and

- (g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to this Section VII.E.2 in the same general time frame as its joint evaluation activities pursuant to Section VII.D.2.

F. Application of Regional Cost Allocation Methodology to Selected ITP

1. Selection by All Relevant Planning Regions

If WestConnect (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Section VII.E.2(d) or VII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

2. Selection by at Least Two but Fewer than All Relevant Regions

If WestConnect (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to evaluate (or reevaluate, as the case may be) pursuant to Sections VII.E.2(d), VII.E.2(e), and VII.E.2(f) above whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of WestConnect and at least one other Relevant Planning Region, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections VII.E.2(d) or VII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

VIII. Recovery of Planning Costs

Unless the Transmission Provider allocates planning-related costs to an individual Stakeholder as permitted under the Tariff, all costs incurred by the Transmission Provider related to the local transmission planning process, or as part of sub-regional or regional planning process, will be included in the Transmission Provider's transmission rates, as applicable.

|

Exhibit 1



Regional Planning Process Activity	Activity Timeframe
Stakeholder meetings	WestConnect will hold open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the PMC, with 30 days advance notice, to update stakeholders about its progress in developing the Regional Plan and to solicit input regarding material matters of process related to the regional transmission plan.
Base transmission plan data collection window	The PS will initiate development of the base transmission plan no later than Quarter 8 of the previous biennial planning cycle and in conjunction with initiating the development of the Regional Study Plan. The submittal window for projects to be considered as part of the base transmission plan will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
Scenario submittal window	A scenario submittal window will open when the development of the Regional Study Plan commences and no later than Quarter 8 of the previous biennial planning cycle. The scenario submittal window will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
Identification of regional needs	Identified regional needs will be posted to the WestConnect website no later than close of Quarter 4 of the first year of the biennial cycle.
Submission Period for Regional Projects to Address Identified Regional Needs	For consideration in the current planning cycle, projects must be submitted following the posting of identified regional needs to the WestConnect website, and must occur before the end of Quarter 5 of the biennial planning cycle. Any project submitted after this date will be considered in the next subsequent planning cycle.

Local Transmission Planning

The Transmission Provider shall establish a coordinated, open and transparent planning process with its Network and Firm Point-to-Point Transmission Customers and other interested parties to ensure that the Transmission System is planned to meet the needs of

~~both the Transmission Provider and its Network and Firm Point-to-Point Transmission Customers on a comparable and not unduly discriminatory basis. The Transmission Provider's coordinated, open and transparent planning process shall be provided as an attachment to the Transmission Provider's Tariff.~~

~~The Transmission Provider's planning process shall satisfy the following nine principles, as defined in Order No. 890: coordination, openness, transparency, information exchange, comparability, dispute resolution, regional participation, economic planning studies, and cost allocation for new projects. The planning process also shall include the procedures and mechanisms for considering transmission needs driven by Public Policy Requirements consistent with Order No. 1000. The planning process also shall provide a mechanism for the recovery and allocation of planning costs consistent with Order No. 890.~~

~~(Name of Transmission Provider)~~ ~~Open Access Transmission Tariff~~
~~Original Sheet No. 167~~

~~The description of the Transmission Provider's planning process must include sufficient detail to enable Transmission Customers to understand:~~

- ~~(i) The process for consulting with customers;~~
- ~~(ii) The notice procedures and anticipated frequency of meetings;~~
- ~~(iii) The methodology, criteria, and processes used to develop a transmission plan;~~
- ~~(iv) The method of disclosure of criteria, assumptions and data underlying a transmission plan;~~
- ~~(v) The obligations of and methods for Transmission Customers to submit data to the Transmission Provider;~~
- ~~(vi) The dispute resolution process;~~
- ~~(vii) The Transmission Provider's study procedures for economic upgrades to address congestion or the integration of new resources;~~
- ~~(viii) The Transmission Provider's procedures and mechanisms for considering transmission needs driven by Public Policy Requirements, consistent with Order No. 1000; and~~
- ~~(ix) The relevant cost allocation method or methods.~~

(Name of Transmission Provider) Open Access Transmission Tariff
Original Sheet No. 168

Regional Transmission Planning

The Transmission Provider shall participate in a regional transmission planning process through which transmission facilities and non-transmission alternatives may be proposed and evaluated. The regional transmission planning process also shall develop a regional transmission plan that identifies the transmission facilities necessary to meet the needs of transmission providers and transmission customers in the transmission planning region. The regional transmission planning process must be consistent with the provision of Commission jurisdictional services at rates, terms and conditions that are just and reasonable and not unduly discriminatory or preferential, as described in Order No. 1000. The regional transmission planning process shall be described in an attachment to the Transmission Provider's Tariff.

The Transmission Provider's regional transmission planning process shall satisfy the following seven principles, as set out and explained in Order Nos. 890 and 1000: coordination, openness, transparency, information exchange, comparability, dispute resolution, and economic planning studies. The regional transmission planning process also shall include the procedures and mechanisms for considering transmission needs driven by Public Policy Requirements, consistent with Order No. 1000. The regional transmission planning process shall provide a mechanism for the recovery and allocation of planning costs consistent with Order No. 890.

~~(Name of Transmission Provider)~~ ~~Open Access Transmission Tariff~~
~~Original Sheet No. 169~~

~~The regional transmission planning process shall include a clear enrollment process for public and non-public utility transmission providers that make the choice to become part of a transmission planning region. The regional transmission planning process shall be clear that enrollment will subject enrollees to cost allocation if they are found to be beneficiaries of new transmission facilities selected in the regional transmission plan for purposes of cost allocation. Each Transmission Provider shall maintain a list of enrolled entities in the Transmission Provider's Tariff.~~

~~Nothing in the regional transmission planning process shall include an unduly discriminatory or preferential process for transmission project submission and selection.~~

~~The description of the regional transmission planning process must include sufficient detail to enable Transmission Customers to understand:~~

- ~~(i) The process for enrollment in the regional transmission planning process;~~
- ~~(ii) The process for consulting with customers;~~
- ~~(iii) The notice procedures and anticipated frequency of meetings;~~
- ~~(iv) The methodology, criteria, and processes used to develop a transmission plan;~~
- ~~(v) The method of disclosure of criteria, assumptions and data underlying transmission~~

~~(Name of Transmission Provider)~~ ~~Open Access Transmission Tariff~~
~~Original Sheet No. 170~~

~~plan;~~

~~(vi) The obligations of and methods for transmission customers to submit data;~~

~~(vii) Process for submission of data by nonincumbent developers of transmission projects that wish to participate in the transmission planning process and seek regional cost allocation;~~

~~(viii) Process for submission of data by merchant transmission developers that wish to participate in the transmission planning process;~~

~~(ix) The dispute resolution process;~~

~~(x) The study procedures for economic upgrades to address congestion or the integration of new resources;~~

~~(xi) The procedures and mechanisms for considering transmission needs driven by Public Policy Requirements, consistent with Order No. 1000; and~~

~~(xii) The relevant cost allocation method or methods.~~

~~The regional transmission planning process must include a cost allocation method or methods that satisfy the six regional cost allocation principles set forth in Order No. 1000.~~

~~(Name of Transmission Provider)~~ ~~Open Access Transmission Tariff~~
~~Original Sheet No. 171~~

~~Interregional Transmission Coordination~~

~~The Transmission Provider, through its regional transmission planning process, must coordinate with the public utility transmission providers in each neighboring transmission planning region within its interconnection to address transmission planning coordination issues related to interregional transmission facilities. The interregional transmission coordination procedures must include a detailed description of the process for coordination between public utility transmission providers in neighboring transmission planning regions (i) with respect to each interregional transmission facility that is proposed to be located in both transmission planning regions and (ii) to identify possible interregional transmission facilities that could address transmission needs more efficiently or cost effectively than separate regional transmission facilities. The interregional transmission coordination procedures shall be described in an attachment to the Transmission Provider's Tariff.~~

~~The Transmission Provider must ensure that the following requirements are included in any applicable interregional transmission coordination procedures:~~

~~(1) A commitment to coordinate and share the results of each transmission planning region's regional transmission plans to identify possible interregional transmission facilities that could address transmission needs more efficiently or cost effectively than~~

~~(Name of Transmission Provider)~~ ~~Open Access Transmission Tariff~~
~~Original Sheet No. 172~~

~~separate regional transmission facilities, as well as a procedure for doing so;~~

~~(2) A formal procedure to identify and jointly evaluate transmission facilities that are proposed to be located in both transmission planning regions;~~

~~(3) An agreement to exchange, at least annually, planning data and information;~~

~~and (4) A commitment to maintain a website or e-mail list for the communication of information related to the coordinated planning process.~~

~~The Transmission Provider must work with transmission providers located in neighboring transmission planning regions to develop a mutually agreeable method or methods for allocating between the two transmission planning regions the costs of a new interregional transmission facility that is located within both transmission planning regions. Such cost allocation method or methods must satisfy the six interregional cost allocation principles set forth in Order No. 1000 and must be included in the Transmission Provider's Tariff.~~

~~(Name of Transmission Provider)~~Open Access Transmission Tariff
Original Sheet No. 173**ATTACHMENT L****Creditworthiness Procedures**

~~For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, the Transmission Provider may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices and must specify quantitative and qualitative criteria to determine the level of secured and unsecured credit~~

Transmission Customer must maintain a credit limit equal to or exceeding the estimated highest 60 day credit exposure. If the unsecured credit limit granted is insufficient, or unsecured credit is denied, the Applicant and/or Transmission Customer must provide collateral/security required by the Transmission Provider in a form and amount satisfactory to the Transmission Provider.

A. Summary of Credit Review Procedures

An initial credit analysis will be performed on all customers desiring to purchase service under the Tariff. The creditworthiness of the Transmission Customer or potential Transmission Customer (collectively, a "Transmission Customer") must be determined through a fundamental analysis of the Transmission Customer's financial and operational condition prior to receiving transmission service. Transmission Provider's Credit Risk Administrator analyzes the financial strength of credit applicants based on both quantitative and qualitative criteria and makes a subsequent decision that is communicated to the Oasis Administrator, which is responsible for administering transmission service under the Tariff. Any Transmission Customer must satisfy the requirements of Transmission Provider's Creditworthiness Procedures prior to receiving transmission service.

Except as required by regulation or law, applicant credit information is not released to outside third parties.

The credit analysis can include applicant supplied and/or independently obtained data from sources such as annual audited and quarterly financial statements, SEC filings, and Dun & Bradstreet, Standard & Poor's "S&P", Moody's, and Fitch reports.

Examples of the criteria used in the credit review process include, but are not limited to, the following:

Quantitative Criteria:

- a. Financial ratios (capitalization metrics, equity and asset metrics, operating and net margin metrics, tangible net worth metrics, debt and interest coverage metrics, cash flow metrics, etc.)
- b. Financial trends (year to year, quarter to quarter, etc.)
- c. Credit Ratings from S&P, Moody's or Fitch

Qualitative Criteria:

- a. Power supply portfolio
- b. Rate policy/ ability to set and maintain rates to recover cost
- c. Management reputation
- d. Risk profile of industry classification
- e. Corporate strategy/reputation
- f. Credit risk management capability
- g. Past or present performance under credit or loan agreements
- h. Market indicators such as share price movement, estimated default frequencies, credit spreads and bond spreads
- i. Evaluation of Generation, Purchase and Load Requirements
- j. Quality of earnings
- k. Quality of equity and Tangible Net Worth (TNW)
- l. Quality of assets and geographical diversification or concentration
- m. Adequacy and availability of liquidity
- n. Cash flows and cash requirements
- o. Structure of capital, debt and leverage
- p. Off-Balance sheet debt
- q. Guarantees and other assurances
- r. Commitments and contingencies / legal risk
- s. Trading operations and risk disclosures
- t. Regulatory environment

B. Qualification for Unsecured Credit

Transmission Customers may apply for unsecured credit by completing a Credit

Application available on the Transmission Provider's OASIS. Transmission Provider's Credit Risk Administrator will make reasonable efforts to review the Credit Application or request additional information if required within ten (10) business days of receipt. Failure to submit all the required information may result in a delay of the credit review and approval. There are two methods for Transmission Customers to potentially qualify for unsecured credit with Transmission Provider.

To qualify for credit, Transmission Customers must not currently be in payment default to Transmission Provider or another known party and not have been in payment default to Transmission Provider or another known party during the prior 3 years and must undergo a comprehensive creditworthiness evaluation. Both quantitative and qualitative criteria will be evaluated. These Transmission Customers are required to provide the following information:

- i. Three years of audited financial statements including income statement, balance sheet, cash flow statements, and accompanying footnotes (Transmission Customers without three years of audited financial statements should provide the maximum number of years available).

Transmission Customers that apply for unsecured credit will be evaluated in part based on their credit ratings by S&P, Moody's and/or Fitch credit rating agencies. Alternatively, Transmission Provider will assign an internal credit rating to Transmission Customers based on both quantitative and qualitative criteria, which such rating shall follow the same scale as S&P (e.g. AAA, AA, A, BBB, BB, etc.).

Transmission Customers with Transmission Provider internal Credit Ratings of BBB or higher will qualify for unsecured credit. The unsecured credit limit assigned is defined in the table below. Transmission Customers rated below investment grade will need to provide an acceptable form of credit support security as set forth in Section C below.

<u>Transmission Provider</u>		<u>Credit Limit (in \$Million)</u>	
<u>A to AAA</u>		<u>\$10</u>	
<u>A-</u>		<u>\$7.5</u>	
<u>BBB+</u>		<u>\$5.0</u>	
<u>BBB</u>		<u>\$2.5</u>	

BBB-		\$0	
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All Transmission Customers qualifying for unsecured credit will be re-evaluated for creditworthiness at least biannually, or more frequently if the Transmission Provider has commercially reasonable grounds to believe there has been a material adverse change in the Transmission Customer's creditworthiness, and may be required to provide updated financial information to the Transmission Provider's Credit Risk Administrator.

Notwithstanding any other statement in these Creditworthiness Business Procedures, if a Transmission Customer, its affiliate, or Credit Provider is in default of a payment obligation with Transmission Provider or another known party, Transmission Provider may, without notice to Transmission Customer, set the Transmission Customer's unsecured credit limit at \$0.

C. List of Acceptable Forms of Credit Support Security

Acceptable Credit Support Security could include one or a combination of the following, at Transmission Provider's discretion:

- a. Parental guaranty, in a form acceptable to Transmission Provider, from an entity meeting the criteria above
- b. Unconditional and irrevocable letter of credit, in a form acceptable to Transmission Provider, from an issuer satisfying the following requirements:
 - i. Issuer must be a U.S. commercial bank or a licensed U.S. branch of a foreign bank;
 - ii. Issuer must maintain an unsecured or issuer rating equivalent to A- or better as determined by at least two (2) rating agencies, one of which must be either Standard & Poor's or Moody's; and
 - iii. Issuer must have total asset value of at least thirty billion dollars (\$30,000,000,000.00)
- c. Prepayment arrangement
- d. Other form of credit support security acceptable to Transmission Provider

To the extent any of the credit support security expires prior to the transmission service agreement expiration date, the credit support security is required to be extended (with proof provided to Transmission Provider) not less than thirty (30) days prior to that expiration date of the credit support security for a period of at least three hundred and sixty (360) days. If a Transmission Customer fails to maintain or renew a letter of credit, Transmission Provider shall have the right to draw upon the entire undrawn portion of the letter of credit, without notice, and hold such cash as security. If the credit support security currently being used by a

Transmission Customer is determined to no longer be considered acceptable after an annual or periodic credit review process, Transmission Provider will notify the Transmission Customer, who will be required to provide another form of credit support security within ten (10) days. The failure to maintain, renew, or provide substitute or additional credit support security when required will be considered a material breach of the transmission service agreement, may result in the forfeiture of any deposits made under the transmission service agreement.

If a Transmission Customer qualifies for credit based on the credit standing of a guarantor, letter of credit provider, or other form of credit support security with an explicit dollar limit set forth in such document, the credit limit assigned to the Transmission Customer will be limited by the dollar limit in credit support security provided, but not surpassing the dollar limits stated in Section B above.

All costs associated with meeting Transmission Provider's credit risk requirements, including any costs of obtaining and posting credit support security, are the responsibility of the Transmission Customer.

D. Notification of Changes in Creditworthiness or Payment Status and Ability to Post Additional Credit Support Security

If Transmission Provider determines there is a downgrade in the creditworthiness of a Transmission Customer or a Transmission Customer's guarantor, or in the event that a Transmission Customer is determined to be in Default Payment Status (defaults during the term of a transmission service agreement, or permanently defaults on a transmission service agreement), Transmission Provider will notify the Transmission Customer in writing. Such notification will include an explanation of the downgrade and new or additional credit support security requirements. Should Transmission Provider require the Transmission Customer to post new or additional credit support security, the Transmission Customer must post credit support security in an amount determined by Transmission Provider within five (5) business days of receipt of a written notification from Transmission Provider of a change in the creditworthiness of the Transmission Customer or Transmission Customer's guarantor. If the Transmission Customer is determined to be in Default Payment Status, Transmission Provider will require additional credit support security to be provided for the remaining term of the transmission service agreement. This security also will apply to any guarantor or affiliate of the Transmission Customer, and to any successor or assignee of the Transmission Customer's transmission service agreement. Additionally, if the Transmission Customer is determined to be in default in accordance with the provisions of Transmission Provider's Tariff, Transmission Provider reserves the right to take any and all actions provided for under its Tariff.

E. Contesting Credit Determinations

The Transmission Customer has the opportunity to contest Transmission Provider's determination of Transmission Customer's creditworthiness or credit support security requirements in accordance with the dispute resolution procedure outlined within the Tariff. The Transmission Customer must still provide any require credit security support requirements, within the indicated time periods, as stated in the Tariff, while the review and response is in process.

F. Transmission Customer Default

If a Transmission Customer defaults in the performance of its obligations under the Tariff, Transmission Provider shall have the unconditional right to: (a) off-set all of the Transmission Customer's obligations under the Tariff against any credit support security held by Transmission Provider to secure the Transmission Customer's obligations; and (b) withhold payment of any obligation owed by Transmission Provider to the Transmission Customer regardless of how such obligation shall have arisen. Transmission Provider's right to withhold payment shall extend up to, and include, an amount equal to the sum of all obligations owed by Transmission Customer to Transmission Provider under any transmission service agreements and shall include the unconditional right to off-set such amount owed to the Transmission Customer against any obligation(s) due from the Transmission Customer to Transmission Provider. Transmission Provider shall provide the Transmission Customer with written notification of any off-set pursuant to this paragraph.

If a Transmission Customer that is party to a transmission service agreement fails to provide any credit support security as set forth herein, including fails to maintain, renew, or provide substitute or additional credit support security when required, Transmission Provider may refuse, without notice, to accept that Transmission Customer's transmission service schedule(s) or transmission service reservation(s) on Transmission Provider's OASIS until such time as that Transmission Customer provides Transmission Provider with credit support security that satisfies the requirements of this Attachment L and is otherwise acceptable to Transmission Provider.

~~The Transmission Provider may require the Transmission Customer to provide and maintain in effect during the term of the Service Agreement, an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under the Tariff, or an alternative form of security proposed by the Transmission Customer and acceptable to the Transmission Provider and consistent with commercial practices established by the Uniform Commercial Code that protects the Transmission Provider against the risk of non payment.~~

~~Additionally, the Transmission Provider must include, at a minimum, the following information concerning its creditworthiness procedures:~~

- ~~(1) a summary of the procedure for determining the level of secured and unsecured credit;~~
- ~~(2) a list of the acceptable types of collateral/security;~~
- ~~(3) a procedure for providing customers with reasonable notice of changes in credit levels and collateral requirements;~~
- ~~(4) a procedure for providing customers, upon request, a written explanation for any change in credit levels or collateral requirements;~~
- ~~(5) a reasonable opportunity to contest determinations of credit levels or collateral requirements; and~~
- ~~(6) a reasonable opportunity to post additional collateral, including curing any non-creditworthy determination.~~

ATTACHMENT M

Loss Factors

Real Power Losses shall be assessed as follows:

1. If, based on operating experience and technical studies, the Transmission Provider determines that any of the transmission loss factors on the Transmission Provider's Transmission System differs from the loss factors set forth in this Attachment, the Transmission Provider may revise charges or losses for Transmission Service provided upon written notice to the Transmission Customer.
2. For Long-Term Firm Point-To-Point Transmission Service, Transmission Provider transmission losses shall initially be 4.5% and shall be assessed on the power scheduled and transmitted to a point of delivery on the Transmission Provider's Transmission System.
3. For Non-Firm Point-To-Point Transmission Service, Transmission Provider transmission losses shall initially be 4.5% and shall be assessed on the power scheduled and transmitted to a point of delivery on the Transmission Provider's Transmission System.
4. For deliveries to Network Customer Network Load, Transmission Provider transmission losses shall initially be 4.5% and shall be assessed on the power scheduled and transmitted to a point of delivery on the Transmission Provider's Transmission System.

ATTACHMENT N

Application Processing Fee

The application processing fee is-\$3,500.

Revision History*

This version of the *pro forma* Large Generator Interconnection Procedures (LGIP) reflects the following changes:

Updated as of May 9, 2019	
Order No.	Description of Changes
845-A (2/21/2019) & Errata	Revised Section 1—Added definition of Contingent Facilities, revised definition of Generating Facility; added definition of Permissible Technological Advancement; added definition of Provisional Interconnection Service; added definition of Provisional Large Generator Interconnection Agreement; revised definition of Stand Alone Network Upgrades; added definition of Surplus Interconnection Service Revised Section 2.3—Base Case Data Revised Section 3.1—General New Section 3.3—Utilization of Surplus Interconnection Service New Section 3.3.1—Surplus Interconnection Service Requests Revised Section 3.3—Valid Interconnection Request Revised Section 3.3.1—Initiating and Interconnection Request Revised Section 3.3.2—Acknowledgment of Interconnection Request Revised Section 3.3.3—Deficiencies in Interconnection Request Revised Section 3.3.4—Scoping Meeting Revised Section 3.4—OASIS Posting New Section 3.5.2—Requirement to Post Interconnection Study Metrics New Section 3.5.2.1—Interconnection Feasibility Studies Processing Time New Section 3.5.2.2—Interconnection System Impact Studies Time New Section 3.5.2.3—Interconnection Facilities Studies Processing Time New Section 3.5.2.4—Interconnection Service Requests Withdrawn from Interconnection Queue New Section 3.5.3 New Section 3.5.4

	Revised Section 3.5—Coordination with Affected Systems Revised Section 3.6—Withdrawal New Section 3.8—Identification of Contingent Facilities Revised Section 4.4.1 Revised Section 4.4.2 New Section 4.4.6—Technological Change Procedures Revised Section 6.3—Interconnection Feasibility Study Procedures Revised Section 7.3—Scope of Interconnection System Impact Study Revised Section 8.2—Scope of Interconnection Facilities Study New Section 13.5.5—Non-binding dispute resolution procedures Revised Appendix 1 to LGIP—Interconnection Request for a Large Generating Facility Revised Appendix 2 to LGIP, Section 4.0
842 (2/15/2018)	Revised Appendix 1 to LGIP—Interconnection Request for a Large Generating Facility Revised Attachment A to Appendix 1—Interconnection Request
661-A (12/12/2005)	Revised Appendix 7—Interconnection Procedures for a Wind-Generating Plant
661 (6/02/2005)	Added Appendix 7—Interconnection Procedures for a Wind-Generating Plant
2003-B (12/20/2004)	Revised Section 1—Definition of Force Majeure Revised Section 1—Definition of Network Resource Interconnection Service Revised Section 3.2.2.1—The Product Revised Section 3.2.2.2—The Study Revised Section 3.4—OASIS Posting Revised Section 5.2—New Transmission Provider Revised Section 7.2—Execution of Interconnection System Impact Study Agreement Revised Section 7.6—Re-study Revised Section 9—Engineering & Procurement ('E&P') Agreement Revised Section 11.1—Tender Revised Section 11.2—Negotiation Revised Section 13.4—Third Parties Conducting Studies

	Revised Section 13.6.2 — Alternative Procedures for Requesting Interconnection Service
2003-A (3/05/2004)	Revised <i>pro forma</i> LGIP **

~~* This Revision History is for convenience of reference only, is not a part of these
pro forma Large Generator Interconnection Procedures, and shall not limit or otherwise
affect the interpretation of these *pro forma* Large Generator Interconnection Procedures.~~

~~** The Order No. 2003-A version is used as the baseline.~~

~~APPENDIX B~~

**~~STANDARD LARGE GENERATOR
INTERCONNECTION PROCEDURES (LGIP)~~**

~~including~~

**~~STANDARD LARGE GENERATOR
INTERCONNECTION AGREEMENT (LGIA)~~**

ATTACHMENT O

**Standard Large Generator Interconnection Procedures
(LGIP)
(Applicable to Generating Facilities that exceed 20 MW)**

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Appendix 1 – Interconnection Request for a Large Generating Facility

Appendix 2 – Interconnection Feasibility Study Agreement

Appendix 3 – Interconnection System Impact Study Agreement

Appendix 4 – Interconnection Facilities Study Agreement

Appendix 5 – Optional Interconnection Study Agreement

Appendix 6 – Standard Large Generator Interconnection Agreement

Appendix 7 – Interconnection Procedures for a Wind Generating Plant

Section 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity. A cooperative's members are not considered Affiliates for purposes of this Tariff.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the ~~reliability council~~ Regional Entity, as defined by Section 215 of the Federal Power Act, applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades, and/or planned Interconnection Facilities and Network Upgrades not yet in service upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for Re-Studies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing. Contingent Facilities are identified in Appendix A of the Standard Large Generator Interconnection Agreement.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by an Applicable Reliability Council NERC.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Generator Interconnection Agreement (GIA) shall mean Transmission Provider's Generator Interconnection Agreement prior to the effective date of the Standard Large Generator Interconnection Agreement (LGIA).

Generator Interconnection Procedures (GIP) shall mean Transmission Provider's Generator Interconnection Procedures prior to the effective date of the Standard Large Generator Interconnection Procedures (LGIP).

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally

accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification,

additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability ~~Council~~ Corporation or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof,

that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Permissible Technological Advancement shall mean a technological advancement to the proposed Generating Facility that does not increase the Interconnection Customer's requested Interconnection Service level, materially impact the Transmission System's short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response, or trigger the Material Modification provisions in the LGIP. A Permissible Technological Advancement cannot degrade the electrical characteristics of the generating equipment (e.g., the ratings, impedances efficiencies, capabilities, and performance of the equipment under steady-state and dynamic conditions). A Permissible Technological Advancement may include a technological advancement to turbines, inverters, plant supervisory controls, or other technological advancement that may affect the Generating Facility's ability to provide ancillary services. A Permissible Technological Advancement does not include changes in generation project size or fuel type.

~~[Transmission Provider inserts definition here].~~

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid Interconnection Request, or Surplus Interconnection Request as applicable, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of

constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

Surplus Generating Facility shall mean Surplus Interconnection Customer's device for the production and/or storage for later injection of electricity identified in a Surplus Interconnection Service Request, but shall not include Surplus Interconnection Customer's Interconnection Facilities.

Surplus Interconnection Customer shall mean an entity that proposes to interconnect its Generating Facility to utilize any unneeded portion of Interconnection Service, such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

Surplus Interconnection Service Impact Study shall mean an engineering study that evaluates the impact of the proposed Surplus Interconnection Service and

Surplus Generating Facility on the safety and reliability of the Transmission System and, if applicable, any Affected Systems.

Surplus Interconnection Service Impact Study Agreement shall mean the form of agreement contained in Appendix 3A of the Standard Large Generator Interconnection Procedures for conducting the Surplus Interconnection Service Impact Study.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Section 2. Scope and Application

- 2.1 Application of Standard Large Generator Interconnection Procedures.**
Sections 2 through 13 apply to processing an Interconnection Request pertaining to a Large Generating Facility.

2.2 Comparability.

Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this LGIP. Transmission Provider will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Generating Facilities are owned by Transmission Provider, its subsidiaries or Affiliates or others.

2.3 Base Case Data.

Transmission Provider shall maintain base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list on either its OASIS site or a password-protected website, subject to confidentiality provisions in LGIP Section 13.1. In addition, Transmission Provider shall maintain network models and underlying assumptions on either its OASIS site or a password-protected website. Such network models and underlying assumptions should reasonably represent those used during the most recent interconnection study and be representative of current system conditions. If Transmission Provider posts this information on a password-protected website, a link to the information must be provided on Transmission Provider's OASIS site. Transmission Provider is permitted to require that Interconnection Customers, OASIS site users and password-protected website users sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (1) generation projects and (2) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to Transmission Service.

Nothing in this LGIP shall constitute a request for transmission service or confer upon an Interconnection Customer any right to receive transmission service.

Section 3. Interconnection Requests

3.1 General.

An Interconnection Customer shall submit to the Transmission Provider an Interconnection Request in the form of Appendix 1 to this LGIP and a

refundable deposit of \$10,000. The Transmission Provider shall apply the deposit toward the cost of an Interconnection Feasibility Study. Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

At Interconnection Customer's option, Transmission Provider and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at the Scoping Meeting to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point(s) of Interconnection to be studied no later than the execution of the Interconnection Feasibility Study Agreement.

Transmission Provider shall have a process in place to consider requests for Interconnection Service below the Generating Facility Capacity. These requests for Interconnection Service shall be studied at the level of Interconnection Service requested for purposes of Interconnection Facilities, ~~and~~ Network Upgrades, and associated costs, but may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by the Interconnection Customer. If after the additional studies are complete, Transmission Provider determines that additional Network Upgrades are necessary, then Transmission Provider must: (1) specify which additional Network Upgrade costs are based on which studies; and (2) provide a detailed explanation of why the additional Network Upgrades are necessary. Any Interconnection Facility and/or Network Upgrade costs required for safety and reliability also will be borne by the Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of the executed, or requested to be filed unexecuted, LGIA.

3.2 Identification of Types of Interconnection Services.

At the time the Interconnection Request is submitted, Interconnection Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service, as described; provided, however, any Interconnection Customer requesting Network Resource

Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service, up to the point when an Interconnection Facility Study Agreement is executed. Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower level of interconnection service to the extent that only certain upgrades will be completed.

3.2.1 Energy Resource Interconnection Service.

3.2.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. Energy Resource Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or Point of Delivery.

3.2.1.2 The Study. The study consists of short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The short circuit/fault duty analysis would identify direct Interconnection Facilities required and the Network Upgrades necessary to address short circuit issues associated with the Interconnection Facilities. The stability and steady state studies would identify necessary upgrades to allow full output of the proposed Large Generating Facility and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Large Generating Facility without requiring additional Network Upgrades.

3.2.2 Network Resource Interconnection Service.

3.2.2.1 The Product. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which

Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service ~~Allows-allows~~ Interconnection Customer's Large Generating Facility to be designated as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur.

3.2.2.2

The Study. The Interconnection Study for Network Resource Interconnection Service shall assure that Interconnection Customer's Large Generating Facility meets the requirements for Network Resource Interconnection Service and as a general matter, that such Large Generating Facility's interconnection is also studied with Transmission Provider's Transmission System at peak load, under a variety of severely stressed conditions, to determine whether, with the Large Generating Facility at full output, the aggregate of generation in the local area can be delivered to the aggregate of load on Transmission Provider's Transmission System, consistent with Transmission Provider's reliability criteria and procedures. This approach assumes that some portion of existing Network Resources are displaced by the output of Interconnection Customer's Large Generating Facility. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.3 Utilization of Surplus Interconnection Service.

~~Transmission Provider must provide a process that allows an An~~
~~Interconnection Customer to utilize or transfer with an effective~~
~~GIA or LGIA may make~~ Surplus Interconnection Service
~~available at an the~~ existing Point of Interconnection ~~for its Large~~
~~Generating Facility using the process outlined in this Section~~
 3.3. The ~~original~~ Interconnection Customer ~~with an effective~~
~~GIA or LGIA~~ or one of its ~~affiliates~~ Affiliates shall have
 priority to utilize Surplus Interconnection Service. If ~~the~~
~~existing an~~ Interconnection Customer ~~with an effective GIA or~~
~~LGIA~~ or one of its ~~affiliates~~ Affiliates does not exercise its
 priority, then ~~that an~~ Interconnection Customer with an effective
 GIA or LGIA ~~may make the~~ service ~~may be made~~ available to
 other potential Interconnection Customers.

3.3.1 Initiating a Request for Surplus Interconnection Service.

3.3.1.1 If an Interconnection Customer with an
 effective GIA or LGIA wants to make Surplus
 Interconnection Service available, it shall
 submit a “Notice of Available Surplus
 Interconnection Service” in the form of
 Appendix 1A to the LGIP to the Transmission
 Provider.

3.3.1.2 A Surplus Interconnection Customer shall
 submit to Transmission Provider a request for
 Surplus Interconnection Service (“Surplus
 Interconnection Service Request”) in the form
 of Appendix 1B to the LGIP. The Surplus
 Interconnection Customer shall also submit to
 the Transmission Provider a refundable deposit
 of \$10,000. The Transmission Provider shall
 apply the deposit toward the cost of the Surplus
 Interconnection Service Impact Study.

3.3.1.3 The Transmission Provider may request any
 additional information necessary to evaluate the
 Surplus Interconnection Service Request.

3.3.2 Acknowledgement of Surplus Interconnection Service Request.

Transmission Provider shall acknowledge receipt of the Surplus Interconnection Service Request within five (5) Business Days of receipt of the Surplus Interconnection Service Request.

3.3.3 Deficiencies in Surplus Interconnection Service Request.

A Surplus Interconnection Service Request will not be considered to be a valid request until all items in Section 3.3.1 have been received by the Transmission Provider. If a Surplus Interconnection Service Request fails to meet the requirements set forth in Section 3.3.1, Transmission Provider shall notify the Surplus Interconnection Customer within five (5) Business Days of receipt of the deficient Surplus Interconnection Service Request and identify the reasons for such deficiency. The Surplus Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice. Failure by the Surplus Interconnection Customer to comply with this Section 3.3.3 or any of the other requirements of this LGIP will result in a withdrawal of the Surplus Interconnection Service Request upon which Transmission Provider shall (i), if applicable, update the OASIS Surplus Interconnection Service Queue Position posting and (ii) refund Surplus Interconnection Customer's deposit, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

3.3.4 Surplus Interconnection Service Queue.

Upon receipt of a valid Surplus Interconnection Service Request, the Transmission Provider shall assign a Surplus Interconnection Service Queue Position based upon the date and time of receipt of the request. The Surplus Interconnection Service Queue Position will be used to determine the order of performing the Surplus Interconnection Service Impact Study. A higher queued Surplus Interconnection Service Request is one that has been placed "earlier" in the queue in relation to another Surplus Interconnection Service Request that is lower queued.

3.3.5 Surplus Interconnection Service Study and Study Agreement.

3.3.5.1 Surplus Interconnection Service Impact Study Agreement.

Within five (5) Business Days following the receipt of a valid Surplus Interconnection Service Request, Transmission Provider shall provide to the Surplus Interconnection Customer a non-binding good faith estimate of the cost for completing the Surplus Interconnection Service Impact Study and tender a Surplus Interconnection Service Impact Study Agreement. The Surplus Interconnection Customer shall compensate Transmission Provider for the actual cost of the Surplus Interconnection Service Impact Study and Transmission Provider will draw on Surplus Interconnection Customer's deposit to perform the study. The Surplus Interconnection Customer shall deliver the executed Surplus Interconnection Service Impact Study Agreement to Transmission Provider together with the required technical data and any additional study deposit required no later than thirty (30) Calendar Days after its receipt. In the event that the deposit is not sufficient to cover the costs, Transmission Provider shall notify the Surplus Interconnection Customer of the estimated balance to complete the study. Surplus Interconnection Customer shall submit payment no later than ten (10) Business Days after receipt of invoice or written notice. After completion of the Surplus Interconnection System Impact Study any remaining deposit shall be refunded to Interconnection Customer with interest paid in accordance with Section 3.3.3.

3.3.5.2 Surplus Interconnection Service Impact Study.

3.3.5.2.1 Transmission Provider shall coordinate the Surplus Interconnection Service Impact Study with any Affected System that is affected by the Surplus Interconnection Request pursuant to Section 3.6.

3.3.5.2.2 The Surplus Interconnection Service Impact Study shall consist of reactive power, short circuit, stability analyses, and any other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. If the existing Interconnection Service was not studied under off-peak conditions, then off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original system impact study is not available for the Surplus Interconnection Service Impact Study or no longer valid, both off-peak and peak analysis may need to be performed for the existing Large Generating Facility associated with the request for Surplus Interconnection Service. The reactive power, short circuit, stability, and steady-state analyses for Surplus Interconnection Service will identify if any Network Upgrades are necessary. If any Network Upgrades are identified, Surplus Interconnection Service will not be granted and will result in a withdrawal of the Surplus Interconnection Service Request. If modifications to the Transmission Provider's Interconnection Facilities are required to support the Surplus Interconnection Service Request, the Transmission Provider will use Reasonable Efforts to determine the scope of those modifications as well as preliminary, non-binding, good faith cost estimates.

The Transmission Provider will use Reasonable Efforts to complete the Surplus Interconnection Service Impact Study for a Surplus Interconnection

Service Request and provide a draft Surplus Interconnection Service Impact Study to the Surplus Interconnection Customer within sixty (60) Calendar Days of Transmission Provider's execution of the Surplus Interconnection Service Impact Study Agreement. If Transmission Provider is unable to complete the Surplus Interconnection Service Impact Study and draft report within the time period, it shall notify the Surplus Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

Within ten (10) Business Days of providing a draft Surplus Interconnection Service Impact Study report to the Surplus Interconnection Customer, Transmission Provider shall schedule a meeting with the Surplus Interconnection Customer at a mutually agreeable date to discuss the results of the draft Surplus Interconnection Service Impact Study. Within thirty (30) Calendar Days after this meeting, Transmission Provider shall tender the final Surplus Interconnection Service Impact Study report to the Surplus Interconnection Customer.

3.3.6 Surplus Interconnection Service Generator Interconnection Agreement (SISGIA)

3.3.6.1 Tender

Simultaneously with the delivery of the final Surplus Interconnection Service Impact Study report, Transmission Provider shall tender to the Surplus Interconnection Customer a draft SISGIA, together with draft appendices. Surplus Interconnection Customer shall complete the parts of the appendices identified by the Transmission Provider and return the

completed draft appendices within thirty (30) Calendar Days.

3.3.6.2 Negotiation

Transmission Provider and the Surplus Interconnection Customer shall negotiate any disputed provisions of the appendices to the draft SISGIA for not more than sixty (60) Calendar Days after tender of the final Surplus Interconnection Service Impact Study report. Upon completion of negotiations, Transmission Provider shall tender a final SISGIA to Surplus Interconnection Customer. If Surplus Interconnection Customer determines that negotiations are at an impasse, it may pursue Dispute Resolution in accordance with Section 13.5.

3.3.6.3 Execution

Within fifteen (15) Business Days after receipt of the final SISGIA and appendices, Surplus Interconnection Customer and the original Interconnection Customer shall sign the SISGIA and return it to Transmission Provider along with security in the form of a deposit or Letter of Credit equal to the cost of the proposed Transmission Provider's Interconnection Facilities, if any, identified in the Surplus Interconnection Service Impact Study report. It is the responsibility of the Surplus Interconnection Customer to coordinate with and obtain the signature for the SISGIA of the original Interconnection Customer to the effective GIA or LGIA that made the Surplus Interconnection Service available.

3.3.6.4 Commencement of Interconnection Activities.

Upon execution of the final SISGIA by Transmission Provider, Transmission Provider, the original Interconnection Customer, and

Surplus Interconnection Customer shall perform their respective obligations in accordance with the terms of the SISGIA.

3.3.7 Limitations to Surplus Interconnection Service.

3.3.7.1 An Interconnection Customer with an effective GIA or LGIA may use or transfer any Surplus Interconnection Service until the Large Generating Facility that is the subject of the GIA or LGIA permanently ceases commercial operations. Accordingly, a SISGIA automatically terminates simultaneously with the termination of the original GIA or LGIA from which the Surplus Interconnection Service originates, unless each of these conditions are satisfied:

3.3.7.1.1 The Surplus Generating Facility must have been studied by the Transmission Provider for sole operation at the Point of Interconnection at the time of the interconnection of the Surplus Interconnection Customer.

3.3.7.1.2 The Interconnection Customer with the original GIA or LGIA must have agreed in the SISGIA that the Surplus Interconnection Customer may continue to operate at either its limited share of the original LGIA, as reflected in the Surplus Interconnection Service Agreement, or at any level below such limit upon the permanent cessation of commercial operations of the original Large Generating Facility.

Such continuation of Surplus Interconnection Service shall be limited to no more than one year after the date of permanent cessation of commercial operation of the original Large Generating Facility.

3.3.7.2 If the original GIA or LGIA is for Network Resource Interconnection Service, then any Surplus Interconnection Service associated with that GIA or LGIA at the same Point of Interconnection can be either for a Network Resource Interconnection Service or Energy Resource Interconnection Service. In contrast, if the original GIA or LGIA is for Energy Resource Interconnection Service, then any Surplus Interconnection Service associated with that GIA or LGIA at the same Point of Interconnection would also have to be for Energy Resource Interconnection Service.

~~Surplus Interconnection Service Requests.~~

~~Surplus Interconnection Service requests may be made by the existing Interconnection Customer whose Generating Facility is already interconnected or one of its affiliates. Surplus Interconnection Service requests also may be made by another Interconnection Customer. Transmission Provider shall provide a process for evaluating Interconnection Requests for Surplus Interconnection Service. Studies for Surplus Interconnection Service shall consist of reactive power, short circuit/fault duty, stability analyses, and any other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. If the Surplus Interconnection Service was not studied under off peak conditions, off peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original System Impact Study is not available for the Surplus Interconnection Service, both off peak and peak analysis may need to be performed for the existing Generating Facility associated with the request for Surplus Interconnection Service. The reactive power, short circuit/fault duty, stability, and steady state analyses for Surplus Interconnection Service will identify any additional Interconnection Facilities and/or Network Upgrades necessary.~~

3.4 Valid Interconnection Request.

3.4.1 Initiating an Interconnection Request.

To initiate an Interconnection Request, Interconnection Customer must submit all of the following: (i) a \$10,000 deposit, (ii) a completed application in the form of Appendix 1, and (iii) demonstration of Site Control or a posting of an additional deposit of \$10,000. Such deposits shall be applied toward any Interconnection Studies pursuant to the Interconnection Request. If Interconnection Customer demonstrates Site Control within the cure period specified in Section 3.4.3 after submitting its Interconnection Request, the additional deposit shall be refundable; otherwise, all such deposit(s), additional and initial, become non-refundable.

The expected In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no more than the process window for the regional expansion planning period (or in the absence of a regional planning process, the process window for Transmission Provider's expansion planning period) not to exceed seven years from the date the Interconnection Request is received by Transmission Provider, unless Interconnection Customer demonstrates that engineering, permitting and construction of the new Large Generating Facility or increase in capacity of the existing Generating Facility will take longer than the regional expansion planning period. The In-Service Date may succeed the date the Interconnection Request is received by Transmission Provider by a period up to ten years, or longer where Interconnection Customer and Transmission Provider agree, such agreement not to be unreasonably withheld.

3.4.2 Acknowledgment of Interconnection Request.

Transmission Provider shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.

3.4.3 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid request until all items in Section 3.4.1 have been received by Transmission Provider. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.1, Transmission Provider shall notify Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Transmission Provider the additional requested information needed

to constitute a valid request within ten (10) Business Days after receipt of such notice. Failure by Interconnection Customer to comply with this Section 3.4.3 shall be treated in accordance with Section 3.7.

3.4.4 Scoping Meeting.

Within ten (10) Business Days after receipt of a valid Interconnection Request, Transmission Provider shall establish a date agreeable to Interconnection Customer for the Scoping Meeting, and such date shall be no later than thirty (30) Calendar Days from receipt of the valid Interconnection Request, unless otherwise mutually agreed upon by the Parties.

The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection. Transmission Provider and Interconnection Customer will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. Transmission Provider and Interconnection Customer will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer shall designate its Point of Interconnection, pursuant to Section 6.1, and one or more available alternative Point(s) of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

3.5. OASIS Posting.

3.5.1 Transmission Provider will maintain on its OASIS a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected In-Service Date; (v) the status of the

Interconnection Request, including Queue Position; (vi) the type of Interconnection Service being requested; and (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an LGIA or requests that the Transmission Provider file an unexecuted LGIA with FERC. Before holding a Scoping Meeting with its Affiliate, Transmission Provider shall post on OASIS an advance notice of its intent to do so. Transmission Provider shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to Transmission Provider's OASIS site subsequent to the meeting between Interconnection Customer and Transmission Provider to discuss the applicable study results. Transmission Provider shall also post any known deviations in the Large Generating Facility's In-Service Date.

3.5.2 Requirement to Post Interconnection Study Metrics

Transmission Provider will maintain on its OASIS or its website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. If Transmission Provider posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. For each calendar quarter, Transmission Providers must calculate and post the information detailed in sections 3.5.2.1 through 3.5.2.4.

3.5.2.1 Interconnection Feasibility Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Feasibility Studies completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Feasibility Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than ~~[timeline as listed in Transmission Provider's LGIP]~~forty-five (45) Calendar Days after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection Feasibility Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Interconnection Feasibility Studies where such Interconnection Requests had executed Interconnection Feasibility Study Agreements received by Transmission Provider more than ~~[timeline as listed in Transmission Provider's LGIP]~~forty-five (45) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Interconnection Feasibility Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the date when Transmission Provider received the executed Interconnection Feasibility Study Agreement to the date when Transmission Provider provided the completed Interconnection Feasibility Study to the Interconnection Customer,

(E) Percentage of Interconnection Feasibility Studies exceeding ~~[timeline as listed in Transmission Provider's LGIP]~~forty-five (45) Calendar Days to complete this reporting quarter, calculated as the sum of 3.5.2.1(B) plus 3.5.2.1(C) divided by the sum of 3.5.2.1(A) plus 3.5.2.1(C)).

3.5.2.2 Time.

Interconnection System Impact Studies Processing

(A) Number of Interconnection Requests that had Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than ~~[timeline as listed in Transmission Provider's LGIP]~~ninety (90) Calendar Days after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection System Impact Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Interconnection System Impact Studies where such Interconnection Requests had executed Interconnection System Impact Study Agreements received by Transmission Provider more than ~~[timeline as listed in Transmission Provider's LGIP]~~ninety (90) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the date when Transmission Provider received the executed Interconnection System Impact Study Agreement to the date when Transmission Provider provided the completed Interconnection System Impact Study to the Interconnection Customer,

(E) Percentage of Interconnection System Impact Studies exceeding ~~[timeline as listed in Transmission Provider's LGIP]~~ninety (90) Calendar Days to complete this reporting quarter, calculated as the sum of 3.5.2.2(B) plus 3.5.2.2(C) divided by the sum of 3.5.2.2(A) plus 3.5.2.2(C)).

3.5.2.3 Interconnection Facilities Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than ~~{timeline as listed in Transmission Provider's LGIP}~~ ninety (90) Calendar Days or one hundred eight (180) Calendar Days, as applicable, after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection Facilities Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Service requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by Transmission Provider more than ~~{timeline as listed in Transmission Provider's LGIP}~~ ninety (90) or one hundred eighty (180) Calendar Days, as applicable, before the reporting quarter end.₅

(D) Mean time (in days), for Interconnection Facilities Studies completed within Transmission Provider's coordinated region during the reporting quarter, calculated from the date when Transmission Provider received the executed Interconnection Facilities Study Agreement to the date when Transmission Provider provided the completed Interconnection Facilities Study to the Interconnection Customer,

(E) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of 3.5.2.3(B) plus 3.5.2.3(C) divided by the sum of 3.5.2.3(A) plus 3.5.2.3(C)).

3.5.2.4 Interconnection Service Requests Withdrawn from Interconnection Queue.

(A) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter,

(B) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of any interconnection studies or execution of any interconnection study agreements,

(C) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of an Interconnection System Impact Study,

(D) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of an Interconnection Facilities Study,

(E) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue after execution of a generator interconnection agreement or Interconnection Customer requests the filing of an unexecuted, new interconnection agreement,

(F) Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when Transmission Provider received the request to withdraw from the queue.

3.5.3

Transmission Provider is required to post on OASIS or its website the measures in paragraph 3.5.2.1(A) through paragraph 3.5.2.4(F) for each calendar quarter within 30 days of the end of the calendar quarter. Transmission Provider will keep the quarterly measures posted on OASIS or its website for three calendar years with the first required report to be in the first quarter of 2020. If Transmission Provider retains this information on its website, a link to the information must be provided on Transmission Provider's OASIS site.

3.5.4

In the event that any of the values calculated in paragraphs 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeds 25 percent for two consecutive calendar quarters, Transmission Provider will have to comply with the measures below for the next four consecutive calendar quarters and must continue reporting this information until Transmission Provider reports four consecutive calendar quarters without the values calculated in 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeding 25 percent for two consecutive calendar quarters:

(i) Transmission Provider must submit a report to the Commission describing the reason for each study or group of clustered studies pursuant to an Interconnection Request that exceeded its deadline (i.e., 45, 90 or 180 days) for completion (excluding any allowance for Reasonable Efforts). Transmission Provider must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The report must be filed at the Commission within 45 days of the end of the calendar quarter.

(ii) Transmission Provider shall aggregate the total number of employee-hours and third party consultant hours expended towards interconnection studies within its coordinated region that quarter and post on OASIS or its website. If Transmission Provider posts this

information on its website, a link to the information must be provided on Transmission Provider's OASIS site. This information is to be posted within 30 days of the end of the calendar quarter.

3.6 Coordination with Affected Systems.

Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this LGIP. Transmission Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this LGIP. Interconnection Customer will cooperate with the Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

3.7 Withdrawal.

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Transmission Provider. In addition, if Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 13.5 (Disputes), Transmission Provider shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cures the deficiency or to notify Transmission Provider of its intent to pursue Dispute Resolution.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, Interconnection Customer's Interconnection Request is eliminated from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to Transmission Provider all costs that Transmission Provider prudently incurs with respect to that Interconnection Request prior to Transmission Provider's receipt of

notice described above. Interconnection Customer must pay all monies due to Transmission Provider before it is allowed to obtain any Interconnection Study data or results.

Transmission Provider shall (i) update the OASIS Queue Position posting and (ii) refund to Interconnection Customer any portion of Interconnection Customer's deposit or study payments that exceeds the costs that Transmission Provider has incurred, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 13.1, shall provide, at Interconnection Customer's request, all information that Transmission Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.8 Identification of Contingent Facilities.

Transmission Provider shall ~~post in this section a method for identifying~~ identify the Contingent Facilities, pursuant to Section 3.8.1, to be provided to Interconnection Customer at the conclusion of the Interconnection System Impact Study and included in Interconnection Customer's Large Generator Interconnection Agreement. ~~The method shall be sufficiently transparent to determine why a specific Contingent Facility was identified and how it relates to the Interconnection Request~~ LGIA. Transmission Provider shall also provide, upon request of the Interconnection Customer, the estimated ~~Interconnection Facility and/or Network Upgrade~~ costs and estimated in-service completion time of each identified Contingent Facility, and any associated costs to the Interconnection Customer, when this information is readily available and not commercially sensitive.

3.8.1 Method for Identifying Contingent Facilities

Transmission Provider shall identify Contingent Facilities by examining the unbuilt interconnection facilities, network upgrades, and/or planned upgrades not yet in-service based on the following criteria:

- i. the unbuilt facility is necessary to make the Transmission Provider or any Affected System compliant with its planning criteria when the Interconnection Request's Large Generating Facility commences Trial Operation; and
- ii. the unbuilt facility has demonstrated a likelihood of construction with a planned in-service date prior to or that generally aligns with

the Interconnection Request's Large Generating Facility's proposed In-Service Date; and

- iii. Transmission Provider will use engineering judgment based on Good Utility Practice to determine which facilities should be Contingent Facilities.

The total of all the facilities that satisfy each of the foregoing criteria shall be identified as Contingent Facilities and included in the Interconnection Customer's LGIA.

Section 4. Queue Position

4.1 General.

Transmission Provider shall assign a Queue Position based upon the date and time of receipt of the valid Interconnection Request; provided that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form, and Interconnection Customer provides such information in accordance with Section 3.4.3, then Transmission Provider shall assign Interconnection Customer a Queue Position based on the date the application form was originally filed. Moving a Point of Interconnection shall result in a lowering of Queue Position if it is deemed a Material Modification under Section 4.4.3.

The Queue Position of each Interconnection Request will be used to determine the order of performing the Interconnection Studies and determination of cost responsibility for the facilities necessary to accommodate the Interconnection Request. A higher queued Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is lower queued.

Transmission Provider may allocate the cost of the common upgrades for clustered Interconnection Requests without regard to Queue Position.

4.2 Clustering.

At Transmission Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the Interconnection System Impact Study.

Clustering shall be implemented on the basis of Queue Position. If Transmission Provider elects to study Interconnection Requests using Clustering, all Interconnection Requests received within a period not to exceed one hundred and eighty (180) Calendar Days, hereinafter referred to as the "Queue Cluster Window" shall be studied together without regard to the nature of the underlying Interconnection Service, whether Energy Resource Interconnection Service or Network Resource Interconnection Service. The deadline for completing all Interconnection System Impact Studies for which an Interconnection System Impact Study Agreement has been executed during a Queue Cluster Window shall be in accordance with Section 7.4, for all Interconnection Requests assigned to the same Queue Cluster Window. Transmission Provider may study an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility.

Clustering Interconnection System Impact Studies shall be conducted in such a manner to ensure the efficient implementation of the applicable regional transmission expansion plan in light of the Transmission System's capabilities at the time of each study.

The Queue Cluster Window shall have a fixed time interval based on fixed annual opening and closing dates. Any changes to the established Queue Cluster Window interval and opening or closing dates shall be announced with a posting on Transmission Provider's OASIS beginning at least one hundred and eighty (180) Calendar Days in advance of the change and

continuing thereafter through the end date of the first Queue Cluster Window that is to be modified.

4.3 Transferability of Queue Position.

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change.

4.4 Modifications.

Interconnection Customer shall submit to Transmission Provider, in writing, modifications to any information provided in the Interconnection Request. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, 4.4.2 or 4.4.5, or are determined not to be Material Modifications pursuant to Section 4.4.3.

Notwithstanding the above, during the course of the Interconnection Studies, either Interconnection Customer or Transmission Provider may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to Transmission Provider and Interconnection Customer, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Section 6.4, Section 7.6 and Section 8.5 as applicable and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to the return of the executed Interconnection System Impact Study Agreement to Transmission Provider, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed project, through either (1) a decrease in plant size or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying Transmission Provider-approved injection-limiting equipment; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration.

For plant increases, the incremental increase in plant output will go to the end of the queue for the purposes of cost allocation and study analysis.

4.4.2 Prior to the return of the executed Interconnection Facility Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: (a) additional 15 percent decrease of electrical output (MW) of the proposed project through either (1) a decrease in plant size (MW) or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying Transmission Provider-approved injection-limiting equipment; (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer; and (c) a Permissible Technological Advancement for the Large Generating Facility after the submission of the Interconnection Request. Section 4.4.6 specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether the Interconnection Customer's proposed technological advancement under Section 4.4.2(c) is a Material Modification. Section 1 contains a definition of Permissible Technological Advancement.

4.4.3 Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.5, Interconnection Customer may first request that Transmission Provider evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, Transmission Provider shall evaluate the proposed modifications prior to making them and inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under Sections 4.4.1, 6.1, 7.2, or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

4.4.4 Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4, the Transmission Provider shall

commence and perform any necessary additional studies as soon as practicable, but in no event shall the Transmission Provider commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost.

4.4.5 Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing.

4.4.6 Technological Change Procedures

An Interconnection Customer that seeks to incorporate a proposed technological advancement into its Generating Facility must submit a Technological Advancement Request, in the form of Attachment B to Appendix 1 of this LGIP, to the Transmission Provider prior to the return of a signed Interconnection Facilities Study Agreement to the Transmission Provider. The Technological Advancement Request must include a description of the proposed technological advancement and provide all details, model data, and analysis necessary to demonstrate to the Transmission Provider that the proposed technological advancement results in electrical performance that is equal to or better than the electrical performance expected prior to the technological change and it is a Permissible Technological Advancement. The Interconnection Customer must also submit updates to the original Generating Facility Data included in the Interconnection Request that reflect the proposed technological advancement. In assessing such a request, the Transmission Provider must determine whether or not the proposed technological advancement is a Material Modification.

If Transmission Provider determines additional studies are necessary for the Transmission Provider to complete the necessary assessment of whether the proposed technological advancement results in equal or better electrical performance and is a Permissible Technological Advancement, Transmission Provider will notify Interconnection Customer and indicate what information the Interconnection Customer must provide for the additional studies. The Interconnection Customer will be responsible for any costs associated with any additional studies.

As a practical matter, the Transmission Provider's assessment of whether a proposed technological advancement is a Permissible Technological Advancement or is a Material Modification will likely add to the time needed to complete the original Interconnection System Impact Study or any necessary re-study. The Transmission Provider will use Reasonable Efforts to complete its assessment and any additional studies as soon as practicable, but no later than forty-five (45) Calendar Days after the Interconnection Customer submits a Technological Advancement Request to the Transmission Provider. Transmission Provider will notify the Interconnection Customer of the results of its assessment and any studies and, if determined to be a Material Modification, explain why the proposed technological advancement is a Material Modification.

[Insert technological change procedure here]

Section 5. Procedures for Interconnection Requests Submitted Prior to Effective Date of Standard Large Generator Interconnection Procedures

5.1 Queue Position for Pending Requests.

5.1.1 Any Interconnection Customer assigned a Queue Position prior to the effective date of this LGIP shall retain that Queue Position with the exceptions discussed below:-

5.1.1.1 If an Interconnection Study Agreement has not been executed as of the effective date of this LGIP, then such Interconnection Study, and any subsequent Interconnection Studies, shall be processed in accordance with this LGIP.

5.1.1.2 If an Interconnection Study Agreement has been executed prior to the effective date of this LGIP, such Interconnection Study shall be completed in accordance with the terms of such agreement. With respect to any remaining studies for which an Interconnection Customer has not signed an Interconnection Study Agreement prior to the effective

date of the LGIP, ~~Transmission Provider must offer the~~ Interconnection Customer ~~the option of either continuing under Transmission Provider's existing interconnection study process or going~~must go forward with the completion of the necessary Interconnection Studies (for which it does not have a signed Interconnection Studies Agreement) in accordance with this LGIP.

- 5.1.1.3** If an ~~LGIA-GIA~~ has been ~~submitted to FERC for approval~~executed before the effective date of the LGIP, then the ~~LGIA-GIA~~ would be grandfathered.

5.1.2 Transition Period.

To the extent necessary, Transmission Provider and Interconnection Customers with an outstanding request (i.e., an Interconnection Request for which an LGIA has not been submitted to FERC for approval as of the effective date of this LGIP) shall transition to this LGIP within a reasonable period of time not to exceed sixty (60) Calendar Days. The use of the term "outstanding request" herein shall mean any Interconnection Request, on the effective date of this LGIP: (i) that has been submitted but not yet accepted by Transmission Provider; (ii) where the related interconnection agreement has not yet been submitted to FERC for approval in executed or unexecuted form, (iii) where the relevant Interconnection Study Agreements have not yet been executed, or (iv) where any of the relevant Interconnection Studies are in process but not yet completed. Any Interconnection Customer with an outstanding request as of the effective date of this LGIP may request a reasonable extension of any deadline, otherwise applicable, if necessary to avoid undue hardship or prejudice to its Interconnection Request. A reasonable extension shall be granted by Transmission Provider to the extent consistent with the intent and process provided for under this LGIP.

5.2 New Transmission Provider.

If Transmission Provider transfers control of its Transmission System to a successor Transmission Provider during the period when an Interconnection Request is pending, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this LGIP shall be paid by or refunded to the Interconnection Customer, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If Transmission Provider has tendered a draft LGIA to Interconnection

Customer but Interconnection Customer has not either executed the LGIA or requested the filing of an unexecuted LGIA with FERC, unless otherwise provided, Interconnection Customer must complete negotiations with the successor Transmission Provider.

5.3 Type of Interconnection Services.

5.3.1 Any Interconnection Customer that submitted an Interconnection Request to be studied as a Network Resource under the previous Generator Interconnection Procedures will be deemed to have requested Network Resource Interconnection Service in accordance with this LGIP.

5.3.2 Any Interconnection Customer that submitted an Interconnection Request to be studied as a non-Network Resource under the previous Generator Interconnection Procedures will be deemed to have requested Energy Resource Interconnection Service in accordance with this LGIP.

Section 6. Interconnection Feasibility Study

6.1 Interconnection Feasibility Study Agreement.

Simultaneously with the acknowledgement of a valid Interconnection Request Transmission Provider shall provide to Interconnection Customer an Interconnection Feasibility Study Agreement in the form of Appendix 2. The Interconnection Feasibility Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Interconnection Feasibility Study. Within five (5) Business Days following the Scoping Meeting Interconnection Customer shall specify for inclusion in the attachment to the Interconnection Feasibility Study Agreement the Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection. Within five (5) Business Days following the Transmission Provider's receipt of such designation, Transmission Provider shall tender to Interconnection Customer the Interconnection Feasibility Study Agreement signed by Transmission Provider, which includes a good faith estimate of the cost for completing the Interconnection Feasibility Study. Interconnection Customer shall execute and deliver to Transmission Provider the Interconnection Feasibility Study Agreement along with a \$10,000 deposit no later than thirty (30) Calendar Days after its receipt.

On or before the return of the executed Interconnection Feasibility Study Agreement to Transmission Provider, Interconnection Customer shall provide the technical data called for in Appendix 1, Attachment A.

If the Interconnection Feasibility Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and Restudies shall be completed pursuant to Section 6.4 as applicable. For the purpose of this Section 6.1, if Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.4.4, shall be the substitute.

If Interconnection Customer and Transmission Provider agree to forgo the Interconnection Feasibility Study, Transmission Provider will initiate an Interconnection System Impact Study under Section 7 of this LGIP and apply the \$10,000 deposit towards the Interconnection System Impact Study.

6.2 Scope of Interconnection Feasibility Study.

The Interconnection Feasibility Study shall preliminarily evaluate the feasibility of the proposed interconnection to the Transmission System.

The Interconnection Feasibility Study will consider the Base Case as well as all generating facilities (and with respect to (iii), any identified Network Upgrades) that, on the date the Interconnection Feasibility Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC. The Interconnection Feasibility Study will consist of a power flow and short circuit analysis. The Interconnection Feasibility Study will provide a list of facilities and a nonbinding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

6.3 Interconnection Feasibility Study Procedures.

Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection Feasibility Study no later than forty-five (45) Calendar Days after Transmission Provider receives the fully executed

Interconnection Feasibility Study Agreement. At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Feasibility Study, the Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Feasibility Study. If Transmission Provider is unable to complete the Interconnection Feasibility Study within that time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Interconnection Feasibility Study, subject to confidentiality arrangements consistent with Section 13.1.

Transmission Provider shall study the Interconnection Request at the level of service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

6.3.1 Meeting with Transmission Provider.

Within ten (10) Business Days of providing an Interconnection Feasibility Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Feasibility Study.

6.4 Re-Study.

If Re-Study of the Interconnection Feasibility Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, or re-designation of the Point of Interconnection pursuant to Section 6.1 Transmission Provider shall notify Interconnection Customer in writing. Such Re-Study shall take not longer than forty-five (45) Calendar Days from the date of the notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Section 7. Interconnection System Impact Study

7.1 Interconnection System Impact Study Agreement.

Unless otherwise agreed, pursuant to the Scoping Meeting provided in Section 3.4.4, simultaneously with the delivery of the Interconnection Feasibility Study to Interconnection Customer, Transmission Provider shall provide to Interconnection Customer an Interconnection System Impact

Study Agreement in the form of Appendix 3 to this LGIP. The Interconnection System Impact Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection System Impact Study. Within three (3) Business Days following the Interconnection Feasibility Study results meeting, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection System Impact Study.

7.2 Execution of Interconnection System Impact Study Agreement.

Interconnection Customer shall execute the Interconnection System Impact Study Agreement and deliver the executed Interconnection System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt along with demonstration of Site Control, and a \$50,000 deposit.

If Interconnection Customer does not provide all such technical data when it delivers the Interconnection System Impact Study Agreement, Transmission Provider shall notify Interconnection Customer of the deficiency within five (5) Business Days of the receipt of the executed Interconnection System Impact Study Agreement and Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Interconnection System Impact Study Agreement or deposit.

If the Interconnection System Impact Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting and the Interconnection Feasibility Study, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and restudies shall be completed pursuant to Section 7.6 as applicable. For the purpose of this Section 7.2, if Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.4.4, shall be the substitute.

Transmission Provider shall study the Interconnection Request at the level of service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

7.3 Scope of Interconnection System Impact Study.

The Interconnection System Impact Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The Interconnection System Impact Study will consider the Base Case as well as all generating facilities (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Interconnection System Impact Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC.

The Interconnection System Impact Study will consist of a short circuit analysis, a stability analysis, and a power flow analysis. The Interconnection System Impact Study will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. For purposes of determining necessary Interconnection Facilities and Network Upgrades, the System Impact Study shall consider the level of Interconnection Service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns. The Interconnection System Impact Study will provide a list of facilities that are required as a result of the Interconnection Request and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

7.4 Interconnection System Impact Study Procedures

Transmission Provider shall coordinate the Interconnection System Impact Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.6 above. Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within ninety (90) Calendar Days after the receipt of the Interconnection System Impact Study Agreement or notification to proceed, study payment, and technical data. If Transmission

Provider uses Clustering, Transmission Provider shall use Reasonable Efforts to deliver a completed Interconnection System Impact Study within ninety (90) Calendar Days after the close of the Queue Cluster Window.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection System Impact Study. If Transmission Provider is unable to complete the Interconnection System Impact Study within the time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Interconnection System Impact Study, subject to confidentiality arrangements consistent with Section 13.1.

7.5 Meeting with Transmission Provider.

Within ten (10) Business Days of providing an Interconnection System Impact Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection System Impact Study.

7.6 Re-Study.

If Re-Study of the Interconnection System Impact Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to [Section 4.4](#), or re-designation of the Point of Interconnection pursuant to Section 7.2 Transmission Provider shall notify Interconnection Customer in writing. Such Re-Study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Section 8. Interconnection Facilities Study.

8.1 Interconnection Facilities Study Agreement.

Simultaneously with the delivery of the Interconnection System Impact Study to Interconnection Customer, Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to this LGIP. The Interconnection Facilities Study

Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Within three (3) Business Days following the Interconnection System Impact Study results meeting, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study. Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to Transmission Provider within thirty (30) Calendar Days after its receipt, together with the required technical data and the greater of \$100,000 or Interconnection Customer's portion of the estimated monthly cost of conducting the Interconnection Facilities Study.

8.1.1 Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

8.2 Scope of Interconnection Facilities Study.

The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facility to the Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Transmission Provider's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Facilities Study will also identify any potential control equipment for requests for Interconnection Service that are lower than the Generating Facility Capacity.

8.3 Interconnection Facilities Study Procedures.

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.6 above. Transmission Provider shall utilize existing studies to the extent practicable in performing

the Interconnection Facilities Study. Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days, with no more than a +/- 20 percent cost estimate contained in the report; or one hundred eighty (180) Calendar Days, if the Interconnection Customer requests a +/- 10 percent cost estimate.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Facilities Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If Transmission Provider is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study report within the time required, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer may, within thirty (30) Calendar Days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1.

8.4 Meeting with Transmission Provider.

Within ten (10) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

8.5 Re-Study.

If Re-Study of the Interconnection Facilities Study is required due to a higher queued project dropping out of the queue or a modification of a higher queued project pursuant to Section 4.4, Transmission Provider shall so notify Interconnection Customer in writing. Such Re-Study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Section 9. Engineering & Procurement ('E&P') Agreement.

Prior to executing an LGIA, an Interconnection Customer may, in order to advance the implementation of its interconnection, request and Transmission Provider shall offer the Interconnection Customer, an E&P Agreement that authorizes Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, Transmission Provider shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the LGIP. The E&P Agreement is an optional procedure and it will not alter the Interconnection Customer's Queue Position or In-Service Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer and to make advance payments or provide other satisfactory security for such costs.

Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Interconnection Customer withdraws its application for interconnection or either Party terminates the E&P Agreement, to the extent the equipment ordered can be canceled under reasonable terms, Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, Transmission Provider may elect: (i) to take title to the equipment, in which event Transmission Provider shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection

Customer shall pay any unpaid balance and cost of delivery of such equipment.

Section 10. Optional Interconnection Study

10.1 Optional Interconnection Study Agreement.

On or after the date when Interconnection Customer receives Interconnection System Impact Study results, the Interconnection Customer may request, and Transmission Provider shall perform a reasonable number of Optional Studies. The request shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Section 10.2. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study, Transmission Provider shall provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 5.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case and assumptions as to the type of interconnection service for Interconnection Requests remaining in the Optional Interconnection Study case, and (iii) Transmission Provider's estimate of the cost of the Optional Interconnection Study. To the extent known by Transmission Provider, such estimate shall include any costs expected to be incurred by any Affected System whose participation is necessary to complete the Optional Interconnection Study. Notwithstanding the above, Transmission Provider shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the technical data and a \$10,000 deposit to Transmission Provider.

10.2 Scope of Optional Interconnection Study.

The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by Interconnection Customer in the

Optional Interconnection Study Agreement. The Optional Interconnection Study will also identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the results of the Optional Interconnection Study. The Optional Interconnection Study shall be performed solely for informational purposes. Transmission Provider shall use Reasonable Efforts to coordinate the study with any Affected Systems that may be affected by the types of Interconnection Services that are being studied. Transmission Provider shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.

10.3 Optional Interconnection Study Procedures.

The executed Optional Interconnection Study Agreement, the prepayment, and technical and other data called for therein must be provided to Transmission Provider within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study Agreement. Transmission Provider shall use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed upon time period specified within the Optional Interconnection Study Agreement. If Transmission Provider is unable to complete the Optional Interconnection Study within such time period, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. Any difference between the study payment and the actual cost of the study shall be paid to Transmission Provider or refunded to Interconnection Customer, as appropriate. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1.

Section 11. Standard Large Generator Interconnection Agreement (LGIA)

11.1 Tender.

Interconnection Customer shall tender comments on the draft Interconnection Facilities Study Report within thirty (30) Calendar Days of receipt of the report. Within thirty (30) Calendar Days after the comments are submitted, Transmission Provider shall tender a draft LGIA, together with draft appendices. The draft LGIA shall be in the form of Transmission Provider's FERC-approved standard form LGIA, which is in Appendix 6.

Interconnection Customer shall execute and return the completed draft appendices within thirty (30) Calendar Days.

11.2 Negotiation.

Notwithstanding Section 11.1, at the request of Interconnection Customer Transmission Provider shall begin negotiations with Interconnection Customer concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement. Transmission Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than sixty (60) Calendar Days after tender of the final Interconnection Facilities Study Report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to Section 11.1 and request submission of the unexecuted LGIA with FERC or initiate Dispute Resolution procedures pursuant to Section 13.5. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request either the filing of the unexecuted LGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if the Interconnection Customer has not executed the LGIA, requested filing of an unexecuted LGIA, or initiated Dispute Resolution procedures pursuant to Section 13.5 within sixty (60) Calendar Days of tender of draft LGIA, it shall be deemed to have withdrawn its Interconnection Request. Transmission Provider shall provide to Interconnection Customer a final LGIA within fifteen (15) Business Days after the completion of the negotiation process.

11.3 Execution and Filing.

Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Transmission Provider (A) reasonable evidence that continued Site Control or (B) posting of \$250,000, non-refundable additional security, which shall be applied toward future construction costs. At the same time, Interconnection Customer also shall provide reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, at the Interconnection Customer election, has been achieved: (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large

Generating Facility; (iv) execution of a contract for the sale of electric energy or capacity from the Large Generating Facility; or (v) application for an air, water, or land use permit.

Interconnection Customer shall either: (i) execute two originals of the tendered LGIA and return them to Transmission Provider; or (ii) request in writing that Transmission Provider file with FERC an LGIA in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of the tendered LGIA (if it does not conform with a FERC-approved standard form of interconnection agreement) or the request to file an unexecuted LGIA, Transmission Provider shall file the LGIA with FERC, together with its explanation of any matters as to which Interconnection Customer and Transmission Provider disagree and support for the costs that Transmission Provider proposes to charge to Interconnection Customer under the LGIA. An unexecuted LGIA should contain terms and conditions deemed appropriate by Transmission Provider for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted LGIA, they may proceed pending FERC action.

11.4 Commencement of Interconnection Activities.

If Interconnection Customer executes the final LGIA, Transmission Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA, subject to modification by FERC. Upon submission of an unexecuted LGIA, Interconnection Customer and Transmission Provider shall promptly comply with the unexecuted LGIA, subject to modification by FERC.

Section 12. Construction of Transmission Provider's Interconnection Facilities and Network Upgrades

12.1 Schedule.

Transmission Provider and Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades.

12.2 Construction Sequencing.

12.2.1 General.

In general, the In-Service Date of an Interconnection Customers seeking interconnection to the Transmission System will determine the sequence of construction of Network Upgrades.

12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer.

An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Transmission System, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider: (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

Transmission Provider will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 11.4 of the LGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that Transmission Provider has not refunded to the Interconnection Customer. Payment by that entity shall be due on the date that it would have been due had there been no request for advance construction. Transmission Provider shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. Transmission Provider then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 11.4 of the LGIA.

12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the Transmission Provider.

An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of Transmission Provider, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider any associated expediting costs. Interconnection Customer shall be entitled to transmission credits, if any, for any expediting costs paid.

12.2.4 Amended Interconnection System Impact Study.

An Interconnection System Impact Study will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date.

Section 13. Miscellaneous

13.1 Confidentiality.

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of an LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants

confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

13.1.1 Scope.

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the LGIA; or (6) is required, in accordance with Section 13.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the

LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

13.1.2 Release of Confidential Information.

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1 and has agreed to comply with such provisions.

Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 13.1.

13.1.3 Rights.

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

13.1.4 No Warranties.

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

13.1.5 Standard of Care.

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory requirements.

13.1.6 Order of Disclosure.

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of the LGIA. Notwithstanding the absence of a

protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

13.1.7

Remedies.

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 13.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8

Disclosure to FERC, or its Staff, or a State.

Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 C.F.R. section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the LGIP, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the

Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

13.1.9 Subject to the exception in Section 13.1.8, any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

13.1.10 This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

13.1.11 Transmission Provider shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

13.2 Delegation of Responsibility.

Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIP. Transmission Provider shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this LGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 Obligation for Study Costs.

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies. Any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to beginning of any such future Interconnection Studies. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customer shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefor. Transmission Provider shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all undisputed amounts in compliance herewith.

13.4 Third Parties Conducting Studies.

If (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 6.3, 7.4 or 8.3 that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Sections 6.3, 7.4 or 8.3 within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require Transmission Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer

and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission Provider may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 26 of the LGIA (Subcontractors) and limited to situations where Transmission Provider determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with Transmission Provider's progress on Interconnection Studies for other pending Interconnection Requests. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Transmission Provider shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. Transmission Provider shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Section 13.1. In any case, such third party contract may be entered into with either Interconnection Customer or Transmission Provider at Transmission Provider's discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the LGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if Transmission Provider were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. Transmission Provider shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes.

13.5.1 Submission.

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIA, the LGIP, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or

claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

13.5.2 External Arbitration Procedures.

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13, the terms of this Section 13 shall prevail.

13.5.3 Arbitration Decisions.

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of

appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

13.5.4 Costs.

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

13.5.5 Non-binding dispute resolution procedures.

If a Party has submitted a Notice of Dispute pursuant to section 13.5.1, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that section, and the Parties cannot reach mutual agreement to pursue the section 13.5 arbitration process, a Party may request that Transmission Provider engage in Non-binding Dispute Resolution pursuant to this section by providing written notice to Transmission Provider (“Request for Non-binding Dispute Resolution”). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this section without first seeking mutual agreement to pursue the section 13.5 arbitration process. The process in section 13.5.5 shall serve as an alternative to, and not a replacement of, the section 13.5 arbitration process. Pursuant to this process, a Transmission Provider must within 30 days of receipt of the

Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with either Party. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the LGIP and LGIA and shall have no power to modify or change any provision of the LGIP and LGIA in any manner. The result reached in this process is not binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding dispute resolution process in future dispute resolution processes, including in a section 13.5 arbitration, or in a Federal Power Act section 206 complaint. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

13.6 Local Furnishing Bonds.

13.6.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds.

This provision is applicable only to a Transmission Provider that has financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this LGIA and LGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this LGIA and LGIP if the provision of such ~~Transmission~~ Interconnection Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Transmission Provider's facilities that would be used in providing such Interconnection Service.

13.6.2 Alternative Procedures for Requesting Interconnection Service.

If Transmission Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local

furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 5.2(ii) of the Transmission Provider's Tariff.

APPENDIX 1 to LGIP
INTERCONNECTION REQUEST ~~FOR A~~
~~LARGE GENERATING FACILITY~~

1. The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility with Transmission Provider's Transmission System pursuant to a Tariff.
2. This Interconnection Request is for (check one):
☐ A proposed new Large Generating Facility.
☐ An increase in the generating capacity or a Material Modification of an existing Generating Facility.
3. The type of interconnection service requested (check one):
☐ Energy Resource Interconnection Service
☐ Network Resource Interconnection Service
4. ☐ Check here only if Interconnection Customer requesting Network Resource Interconnection Service also seeks to have its Generating Facility studied for Energy Resource Interconnection Service
5. Interconnection Customer provides the following information:
 - a. Address or location of the proposed new Large Generating Facility site (to the extent known) or, in the case of an existing Generating Facility, the name and specific location of the existing Generating Facility;
 - b. Maximum summer at degrees C and winter at degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;
 - c. General description of the equipment configuration;
 - d. Commercial Operation Date (Day, Month, and Year);
 - e. Name, address, telephone number, and e-mail address of the Interconnection Customer's contact person;
 - f. Approximate location of the proposed Point of Interconnection (optional);
and

- g. Interconnection Customer Data (set forth in Attachment A) and
 - h. Primary frequency response operating range for electric storage resources.
 - i. Requested capacity (in MW) of Interconnection Service (if lower than the Generating Facility Capacity).
6. Applicable deposit amount as specified in the LGIP.
7. Evidence of Site Control as specified in the LGIP (check one)
____ Is attached to this Interconnection Request
____ Will be provided at a later date in accordance with this LGIP
8. This Interconnection Request shall be submitted to the representative indicated below:

[To be completed by Transmission Provider]

9. Representative of the Interconnection Customer to contact:

[To be completed by Interconnection Customer]

10. This Interconnection Request is submitted by:

Name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date:

**Attachment A (page 1) to Appendix 1
Interconnection Request**

LARGE GENERATING FACILITY DATA

UNIT RATINGS

kVA _____ °F _____ Voltage _____
 Power Factor _____
 Speed (RPM) _____ Connection (e.g. Wye) _____
 Short Circuit Ratio _____ Frequency, Hertz _____
 Stator Amperes at Rated kVA _____ Field Volts _____
 Max Turbine MW _____ °F _____

Primary frequency response operating range for electric storage

~~resources~~ resources:

Minimum State of Charge: _____

Maximum State of Charge: _____

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H = _____ kW sec/kVA
 Moment-of-Inertia, WR^2 = _____ lb. ft.²

REACTANCE DATA (PER UNIT-RATED KVA)

DIRECT AXIS QUADRATURE AXIS

Synchronous – saturated	X _{dv} _____	X _{qv} _____
Synchronous – unsaturated	X _{di} _____	X _{qi} _____
Transient – saturated	X _{N'} _{dv} _____	X _{N'} _{qv} _____
Transient – unsaturated	X _{N'} _{di} _____	X _{N'} _{qi} _____
Subtransient – saturated	X _{O''} _{dv} _____	X _{O''} _{qv} _____
Subtransient – unsaturated	X _{O''} _{di} _____	X _{O''} _{qi} _____
Negative Sequence – saturated	X _{2v} _____	
Negative Sequence – unsaturated	X _{2i} _____	
Zero Sequence – saturated	X _{0v} _____	
Zero Sequence – unsaturated	X _{0i} _____	

| Leakage Reactance Xlm _____

FIELD TIME CONSTANT DATA (SEC)

Open Circuit	T _{N'} do	T _{N'} qo
Three-Phase Short Circuit Transient	T _{N'} d3	T _{N'} q
Line to Line Short Circuit Transient	T _{N'} d2	
Line to Neutral Short Circuit Transient	T _{N'} d1	
Short Circuit Subtransient	T _{O''} d	T _{O''} q
Open Circuit Subtransient	T _{O''} do	T _{O''} qo

ARMATURE TIME CONSTANT DATA (SEC)

Three Phase Short Circuit	Ta3
Line to Line Short Circuit	Ta2
Line to Neutral Short Circuit	Ta1

NOTE: If requested information is not applicable, indicate by marking "N/A."

Attachment A (page 2) to Appendix 1
Interconnection Request

**MW CAPABILITY AND PLANT CONFIGURATION LARGE
GENERATING FACILITY DATA**

ARMATURE WINDING RESISTANCE DATA (PER UNIT)

Positive	R1	_____
Negative	R2	_____
Zero	R0	_____

Rotor Short Time Thermal Capacity I_2^2t = _____

Field Current at Rated kVA, Armature Voltage and PF = _____ amps

Field Current at Rated kVA and Armature Voltage, 0 PF = _____ amps

Three Phase Armature Winding Capacitance = _____ microfarad

Field Winding Resistance = _____ ohms _____ °C

Armature Winding Resistance (Per Phase) = _____ ohms _____ °C

CURVES

Provide Saturation, Vee, Reactive Capability, Capacity Temperature Correction curves.

Designate normal and emergency Hydrogen Pressure operating range for multiple curves.

Attachment A (page 3) To Appendix 1
Interconnection Request

GENERATOR STEP-UP TRANSFORMER DATA RATINGS

Capacity Self-cooled/
~~Maximum~~~~maximum~~ ~~Nameplate~~~~nameplate~~
_____/_____
kV

Voltage Ratio ~~(Generator~~ ~~Sideside~~/System side/~~Tertiary)~~
~~_____~~/~~_____~~ kV

Winding Connections ~~(Low V/High V~~~~Tertiary~~~~V~~ (Delta or Wye))
_____/_____
~~_____~~

Fixed Taps Available _____

Present Tap Setting _____

IMPEDANCE

Positive Z1 (on self-cooled kVA rating) _____ % _____ X/R

Zero Z0 (on self-cooled kVA rating) _____ % _____ X/R

Attachment A (page 4) To Appendix 1
Interconnection Request

EXCITATION SYSTEM DATA

Identify appropriate IEEE model block diagram of excitation system and power system stabilizer (PSS) for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.

GOVERNOR SYSTEM DATA

Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.

WIND GENERATORS

Number of generators to be interconnected pursuant to this Interconnection Request:

Elevation: _____ Single Phase _____ Three Phase

Inverter manufacturer, model name, number, and version:

List of adjustable setpoints for the protective equipment or software:

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

Attachment A (page 5) To Appendix 1
Interconnection Request

INDUCTION GENERATORS:

- (*) Field Volts: _____
- (*) Field Amperes: _____
- (*) Motoring Power (kW): _____
- (*) Neutral Grounding Resistor (If Applicable): _____
- (*) I^2t or K (Heating Time Constant): _____
- (*) Rotor Resistance: _____
- (*) Stator Resistance: _____
- (*) Stator Reactance: _____
- (*) Rotor Reactance: _____
- (*) Magnetizing Reactance: _____
- (*) Short Circuit Reactance: _____
- (*) Exciting Current: _____
- (*) Temperature Rise: _____
- (*) Frame Size: _____
- (*) Design Letter: _____
- (*) Reactive Power Required In Vars (No Load): _____
- (*) Reactive Power Required In Vars (Full Load): _____
- (*) Total Rotating Inertia, H: _____ Per Unit on KVA Base

Note: Please consult Transmission Provider prior to submitting the Interconnection Request to determine if the information designated by (*) is required.

Attachment B to Appendix 1
Interconnection Request

GENERATING FACILITY DATA
Technological Advancement Request Form

1. **Description** - Describe the requested technological advancement to the proposed Generating Facility.
2. **Required Information** - Provide all details, model data, and analysis as determined by Transmission Provider necessary to demonstrate that the proposed technological advancement would result in electrical performance that is equal to or better than the electrical performance expected prior to the proposed technological advancement and that the proposed technical advancement is a Permissible Technological Advancement.
3. **Updated Information** - Provide redlined updates reflecting the proposed technological advancement to the Generating Facility Data (Attachment(s) A to Appendix 1, as appropriate) included in the Interconnection Request.

APPENDIX 1A to LGIP
NOTICE OF AVAILABLE SURPLUS INTERCONNECTION SERVICE

1. The undersigned Interconnection Customer with an effective GIA or LGIA submits this notice to make Surplus Interconnection Service available at the existing Point of Interconnection for its Generating Facility.
2. This Surplus Interconnection Service is intended to be utilized by:
 The Interconnection Customer with an effective GIA or LGIA.
 An Affiliate of the Interconnection Customer with an effective GIA or LGIA.
 An unaffiliated potential Interconnection Customer.
3. Interconnection Customer with an effective GIA or LGIA provides the following information:
 - a. A copy of the effective GIA or LGIA associated with the existing Interconnection Service;

b. The amount of Surplus Interconnection Service to be made available, in MW;

c. The period(s) of time when Surplus Interconnection Service will be available;
and

d. The conditions under which Surplus Interconnection Service at the Point of
Interconnection may be used;

4. This Notice of Available Surplus Interconnection Service, and any subsequent
inquiries related to this Notice of Available Surplus Interconnection Service, shall be
submitted to the representative indicated below:

If by mail or overnight delivery:

Tri-State Generation and Transmission Association, Inc.

Attn: Transmission Interconnection Administrator

1100 W. 116th Avenue

Westminster, Colorado 80234

5. This Notice of Available Surplus Interconnection Service is submitted by:

Name of Interconnection

Customer:

Title:

Address:

Telephone Number:

E-mail address:

Date:

APPENDIX 1B to LGIP
SURPLUS INTERCONNECTION SERVICE REQUEST

1. The undersigned Surplus Interconnection Customer submits this request to interconnect its Surplus Generating Facility to the Interconnection Facilities owned by the original Interconnection Customer offering the Surplus Interconnection Service pursuant to the Tariff.

2. Pursuant to the conditions in Section 3.3.7.2 of the LGIP, this Surplus Interconnection Service Request shall be studied as:
Network Resource Interconnection Service.
Energy Resource Interconnection Service.

3. Surplus Interconnection Customer provides the following information:
 - a. Address or location of the Surplus Generating Facility site (to the extent known);
 - b. The requested amount of Surplus Generating Capacity, in MW;
 - c. General description of the equipment configuration;
 - d. In-Service Date (Day, Month, and Year);
 - e. The proposed commercial operation date (Day, Month, and Year) of the Surplus Generating Facility;
 - f. Name, address, telephone number, and e-mail address of Surplus Interconnection Customer's contact person;
 - g. Point of Interconnection associated with the existing Interconnection Service and, if known, the initial Interconnection Request number;
 - h. Surplus Interconnection Customer Data (set forth in Attachment A), including a preliminary one-line diagram of the proposed Surplus Generating Facility showing how it will connect to the existing Interconnection Facilities owned by the Interconnection Customer making the Surplus Interconnection Service

available;

- i. Primary frequency response operating range for electric storage resources; and
- j. Evidence demonstrating that the original Interconnection Customer with the effective GIA or LGIA agrees with allowing the Surplus Interconnection Service Request to proceed.

4. A refundable deposit of \$10,000.

5. This Surplus Interconnection Service Request, and any subsequent inquiries related to this Surplus Interconnection Service Request, shall be submitted to the representative indicated below:

If by mail or overnight delivery:

Tri-State Generation and Transmission Association, Inc

Attn: Transmission Interconnection Administrator

1100 W. 116th Avenue

Westminster, Colorado 80234

6. Representative of Surplus Interconnection Customer to contact:

[To be completed by Interconnection Customer]

7. This Surplus Interconnection Request is submitted by:

Name of Surplus Interconnection
Customer:

By (signature):

Name (type or print):

Title:

Date:

APPENDIX 2 to LGIP INTERCONNECTION FEASIBILITY STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____,
a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____
a _____ existing under the laws of the State of _____, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection Feasibility Study to assess the feasibility of interconnecting the proposed Large Generating Facility to the Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection Feasibility Study consistent with Section 6.0 of this LGIP in accordance with the Tariff.
- 3.0 The scope of the Interconnection Feasibility Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Interconnection Feasibility Study shall be based on the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Feasibility Study and as designated in accordance with Section 3.4.4 of the LGIP. If, after the designation of the Point of Interconnection pursuant to Section 3.4.4 of the LGIP, Interconnection Customer modifies its Interconnection Request pursuant to Section 4.4, the time to complete the Interconnection Feasibility Study may be extended.

5.0 The Interconnection Feasibility Study report shall provide the following information:

- preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and
- preliminary description and non-bonding estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit and power flow issues.

6.0 Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Interconnection Feasibility Study.

Upon receipt of the Interconnection Feasibility Study Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Feasibility Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7.0 Miscellaneous. The Interconnection Feasibility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional

practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**Attachment A to Appendix 2
Interconnection Feasibility
Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION FEASIBILITY STUDY**

The Interconnection Feasibility Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on _____:

Designation of Point of Interconnection and configuration to be studied.
Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

APPENDIX 3 to LGIP INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ existing under the laws of the State of _____, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System;

WHEREAS, Transmission Provider has completed an Interconnection Feasibility Study (the "Feasibility Study") and provided the results of said study to Interconnection Customer ~~(This recital to be omitted if Transmission Provider does not require the Interconnection Feasibility Study.)~~; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection System Impact Study to assess the impact of interconnecting the Large Generating Facility to the Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection System Impact Study consistent with Section 7.0 of this LGIP in accordance with the Tariff.

- 3.0 The scope of the Interconnection System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study and the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the LGIP. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Customer System Impact Study. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the Interconnection System Impact Study may be extended.
- 5.0 The Interconnection System Impact Study report shall provide the following information:
- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection and
 - description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.
- 6.0 Interconnection Customer shall provide a deposit of \$50,000 for the performance of the Interconnection System Impact Study. Transmission Provider's good faith estimate for the time of completion of the Interconnection System Impact Study is [insert date].

Upon receipt of the Interconnection System Impact Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7.0 Miscellaneous. The Interconnection System Impact Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.]

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**Attachment A To Appendix 3
Interconnection System Impact
Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION SYSTEM IMPACT STUDY**

The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study, subject to any modifications in accordance with Section 4.4 of the LGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.
Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

APPENDIX 3A to LGIP
SURPLUS INTERCONNECTION SERVICE IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Surplus Interconnection Customer" or "SIC") and _____ a _____ existing under the laws of the State of _____, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Surplus Interconnection Customer is proposing to develop a Surplus Generating Facility ("SGF") consistent with the Surplus Interconnection Service Request No. (_____), _____ MW of Surplus Interconnection Service for the [Project Name];

WHEREAS, Surplus Interconnection Customer's Surplus Interconnection Service Request is associated with the original Interconnection Customer, [Company Name] , with the effective Generator Interconnection Agreement, [Date], TSOA [Contract Number];

WHEREAS, the original Interconnection Customer has agreed to allow for the Surplus Interconnection Service Request to proceed; and

WHEREAS, Transmission Provider requires a Surplus Interconnection Service Impact Study (the "Service Impact Study" or "SIS") to assess the Surplus Interconnection Service on Transmission Provider's Transmission System and any Affected Systems.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 _____ When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.

2.0 _____ Surplus Interconnection Customer elects and Transmission Provider shall cause to be performed a Service Impact Study consistent with Section 3.3.5.2 of this LGIP in accordance with the Tariff.

3.0 _____ The scope of the Service Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 _____ The Service Impact Study will be based upon the technical information provided by Surplus Interconnection Customer in the Surplus Interconnection Service

Request. Transmission Provider reserves the right to request additional technical information from Surplus Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Service Impact Study. If Surplus Interconnection Customer modifies its Surplus Interconnection Service Request, or the technical information provided therein is modified, the time to complete the Service Impact Study may be extended.

5.0 The Service Impact Study report shall: (i) address reactive power, short circuit, and stability issues identified in the Service Impact Study; (ii) steady-state (thermal/voltage) issues as necessary to ensure that all required reliability conditions are studied; and (iii) if Transmission Provider's Interconnection Facilities are required to support the Surplus Interconnection Service Request, a description of the modification and non-binding, good faith cost estimate.

6.0 Surplus Interconnection Customer shall provide a refundable deposit of \$10,000 for the performance of the Service Impact Study. Transmission Provider's good faith estimate for the time of completion of the Service Impact Study is [insert date].

Upon receipt of the Service Impact Study, Transmission Provider shall charge and Surplus Interconnection Customer shall pay the actual costs of the Service Impact Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Surplus Interconnection Customer, as appropriate.

7.0 Miscellaneous. The Surplus Interconnection Service Impact Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.]

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Surplus Interconnection Customer]

By:

Title: _____ Date: _____

Attachment A To Appendix 3A
Service Impact Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE SERVICE IMPACT STUDY

The Service Impact Study will be based upon the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

[Above assumptions to be completed by Surplus Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

APPENDIX 4 to LGIP INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ existing under the laws of the State of _____, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System;

WHEREAS, Transmission Provider has completed an Interconnection System Impact Study (the "System Impact Study") and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.

- 2.0 Interconnection Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.
- 4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Large Generating Facility to the Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Interconnection System Impact Study.
- 5.0 Interconnection Customer shall provide a deposit of \$100,000 for the performance of the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

- 6.0 Miscellaneous. The Interconnection Facility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By:_____

Title:_____ Title:_____

Date:_____ Date:_____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**Attachment A To Appendix 4
Interconnection Facilities
Study Agreement**

**INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR
CONDUCTING THE INTERCONNECTION FACILITIES STUDY**

Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after of receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or
- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

**Attachment B (page 1) to
Appendix 4 Interconnection
Facilities Study Agreement**

**DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER
WITH THE
INTERCONNECTION FACILITIES STUDY AGREEMENT**

Provide location plan and simplified one-line diagram of the plant and station facilities.
For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or
existing Transmission Provider station. Number of generation connections:

On the one line diagram indicate the generation capacity attached at each
metering location. (Maximum load on CT/PT)

On the one line diagram indicate the location of auxiliary power. (Minimum load on
CT/PT) Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance?
☐ Yes ☐ No

Will a transfer bus on the generation side of the metering require that each meter set be
designed for the total plant generation? ☐ Yes ☐ No (Please indicate on
one line diagram).

What type of control system or PLC will be located at the Interconnection Customer's
Large Generating Facility?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission
line, and property line.

Physical dimensions of the proposed interconnection station:

|

Attachment B (page 2)
Appendix 4
Interconnection Facilities Study Agreement

Line length from interconnection station to Transmission Provider's transmission line.

Tower number observed in the field. (Painted on tower leg)*

Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

Is the Large Generating Facility in the Transmission Provider's service area?

 Yes No

Local provider: _____

Please provide proposed schedule dates:

Begin Construction _____ Date: _____

Generator step-up transformer _____ Date: _____

receives back feed power

Generation Testing _____ Date: _____

Commercial Operation _____ Date: _____

APPENDIX 5 to LGIP OPTIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ existing under the laws of the State of _____, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____;

WHEREAS, Interconnection Customer is proposing to establish an interconnection with the Transmission System; and

WHEREAS, Interconnection Customer has submitted to Transmission Provider an Interconnection Request; and

WHEREAS, on or after the date when Interconnection Customer receives the Interconnection System Impact Study results, Interconnection Customer has further requested that Transmission Provider prepare an Optional Interconnection Study;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause an Optional Interconnection Study consistent with Section 10.0 of this LGIP to be performed in accordance with the Tariff.

- 3.0 The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Optional Interconnection Study shall be performed solely for informational purposes.
- 5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or interconnection service based upon the assumptions specified by Interconnection Customer in Attachment A.
- 6.0 Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Optional Interconnection Study. Transmission Provider's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].

Upon receipt of the Optional Interconnection Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Optional Study.

Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

- 7.0 Miscellaneous. The Optional Interconnection Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**APPENDIX 6 to LGIP
LARGE GENERATOR INTERCONNECTION
AGREEMENT
(SEE LGIA)**

APPENDIX 7

INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Appendix 7 sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by section 3.3 of this LGIP, may provide to the Transmission Provider a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in this LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the Transmission Provider to complete the System Impact Study.

Revision History*

This version of the *pro forma* Large Generator Interconnection Agreement (LGIA) reflects the following changes:

Updated as of May 9, 2019	
Order No.	Description of Changes
845-A (2/21/2019)	Revised Article 1—Revised definition of Generating Facility; added definition of Provisional Interconnection Service; added definition of Provisional Large Generator Interconnection Agreement; revised definition of Stand Alone Network Upgrades; added definition of Surplus Interconnection Service. Revised Article 5.1—Options Revised Article 5.1.3—Option to Build Revised Article 5.1.4—Negotiated Option Revised Article 5.2—General Conditions Applicable to Option to Build Revised Article 5.9—Limited Operation New Article 5.9.1—Limited Operation New Article 5.9.2—Provisional Interconnection Service
842 (2/15/2018)	Revised Article 9.6—Reactive Power Revised Article 9.6.2.1—Governors and Voltage Regulators New Article 9.6.4—Primary Frequency Response New Article 9.6.4.1—Governor or Equivalent Controls New Article 9.6.4.2—Timely and Sustained Response New Article 9.6.4.3—Exemptions New Article 9.6.4.4—Electric Storage Resources
827 (6/16/2016)	Revised Article 9.6.1—Power Design Factor New Article 9.6.1.1—Synchronous Generation New Article 9.6.1.2—Non-Synchronous Generation Revised Appendix G—Technical Standards Applicable to a Wind Generating Plant
764 (6/22/2012)	Revised Article 1—Added Definition of Variable Energy Resource New Article 8.4—Provision of Data from a Variable Energy Resource
661-A (12/12/2005)	Revised Appendix G—Interconnection Requirements for a Wind Generating Plant
2003-C	Revised 1st Paragraph of Page 1

(6/16/2005)	Revised Article 5.3—Liquidated Damages Revised Article 12.4—Disputes Revised Article 18.3.6—Insurance Revised Article 19.1—Assignment Revised Article 24.2—Information Submission by Transmission Provider
661 (6/02/2005)	Added Appendix G—Interconnection Requirements for a Wind Generating Plant
2003-B (12/20/2004)	Revised Recitals Revised Article 1—Definition of Force Majeure Revised Article 1—Definition of Network Resource Interconnection Service Revised Article 4.1.2.2—Transmission Delivery Service Implications Revised Article 5.14—Permits Revised Article 5.17.7—Contests Revised Article 5.17.8(ii)—Refund Revised Article 11.4.1—Repayment of Amounts Advanced for Network Upgrades Revised Article 18.1—Indemnity Revised Article 18.3.5—Insurance Revised Article 18.3.6—Insurance Revised Article 19.1—Assignment Revised Article 22.1.10—Disclosure to FERC, its Staff, or a State Revised Article 28.1.2—Authority
2003-A (3/05/2004)	Revised <i>pro forma</i> LGIA **

~~* This Revision History is for convenience of reference only, is not a part of this *pro forma* Large Generator Interconnection Agreement, and shall not limit or otherwise affect the interpretation of this *pro forma* Large Generator Interconnection Agreement.~~

~~** The Order No. 2003-A version is used as the baseline.~~

~~Appendix 6 to the Standard Large Generator Interconnection Procedures~~

ATTACHMENT P

**STANDARD LARGE GENERATOR INTERCONNECTION
AGREEMENT (LGIA)**

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Appendix E – Commercial Operation Date

Appendix F – Addresses for Delivery of Notices and Billings

Appendix G – Interconnection Requirements for a Wind Generating Plant

STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this ____ day of _____ 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), and _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Transmission Provider and/or Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

Article 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity. A cooperative's members are not considered Affiliates for purposes of this Tariff.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the Regional Entity, as defined by Section 215 of the Federal Power Act, ~~reliability council~~ applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Contingent Facilities shall mean those unbuilt **Interconnection Facilities, Network Upgrades, and/or planned Interconnection Facilities and Network Upgrades not yet in-service upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing. Contingent Facilities are identified in Appendix A of the Standard Large Generator Interconnection Agreement.**

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage

transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the

cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility

Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability ~~Council~~ Corporation or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the

Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid Interconnection Request, or Surplus Interconnection Service Request as applicable, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If the Transmission Provider and

Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the Point of Interconnection would remain the same.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Variable Energy Resource shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Either Party may terminate this LGIA in accordance with Article 17.

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission

Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection. Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival. This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

3.1 Filing. Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

4.1 Interconnection Product Options. Interconnection Customer has selected the following (checked) type of Interconnection Service:

4.1.1 Energy Resource Interconnection Service.

4.1.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 Transmission Delivery Service Implications. Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for

Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service.

4.1.2.1 The Product. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 Transmission Delivery Service Implications. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain

delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network

Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

- 4.2 Provision of Service.** Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.
- 4.4 No Transmission Delivery Service.** The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service

under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

- 5.1 Options.** Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission Provider, the Interconnection Customer shall notify Transmission Provider within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1 Standard Option. Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall

assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build. Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then pursuant to Article 5.1.1 (Standard Option), Transmission Provider shall assume responsibility for the design, procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of

Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

- (1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;
- (2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;
- (5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;
- (6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone

Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider;

(0) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(1) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

(2) If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Transmission Provider the agreed upon amount of [\$ PLACEHOLDER] for Transmission Provider to execute the responsibilities enumerated to Transmission Provider under Article 5.2. Transmission Provider shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to $\frac{1}{2}$ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for

which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

- 5.4 Power System Stabilizers.** The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement. If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;

5.5.2 Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement. Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;

5.6.3 Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission

Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Other Interconnection Options.

5.9.1 Limited Operation. If any Contingent Facilities or ~~of~~ Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of any Contingent Facilities or Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.9.2 Provisional Interconnection Service. Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, Contingent Facilities, or System Protection Facilities Transmission Provider may execute a Provisional Large Generator Interconnection Agreement or Interconnection Customer may request the filing of an unexecuted Provisional Large Generator Interconnection Agreement with the Interconnection Customer for limited Interconnection Service at the discretion of Transmission Provider based upon an evaluation that will consider the results of available studies. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, Contingent Facilities, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the

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commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such, Interconnection Facilities, Network Upgrades, Distribution Upgrades, Contingent Facilities, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated ~~on an annual or as needed basis a frequency determined by Transmission Provider~~ and at the Interconnection Customer's expense. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, Contingent Facilities, and/or System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities ('ICIF'). Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review. Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to

ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction. Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer ~~the following~~ "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities ~~[include appropriate drawings and relay diagrams]~~.

Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or

any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners. If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property.

5.14 Permits. Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities. Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer

represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider.

Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property

transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$. Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests. In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer,

that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

5.17.8 Refund. In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

- (i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,
- (ii) interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date

Transmission Provider refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax

payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 Transmission Owners Who Are Not Transmission Providers. If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System,

Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

- 5.19.2 Standards.** Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.
- 5.19.3 Modification Costs.** Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

- 6.1 Pre-Commercial Operation Date Testing and Modifications.** Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.
- 6.2 Post-Commercial Operation Date Testing and Modifications.** Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the

right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

- 6.3 Right to Observe Testing.** Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to:
- (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers;
 - (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and
 - (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment.
- A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

- 7.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters

shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

- 7.3 Standards.** Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.
- 7.4 Testing of Metering Equipment.** Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.
- 7.5 Metering Data.** At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8. Communications

8.1 Interconnection Customer Obligations. Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bidirectional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

8.4 Provision of Data from a Variable Energy Resource. The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power

production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9. Operations

9.1 General. Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification. At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements,

shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

- 9.3 Transmission Provider Obligations.** Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.
- 9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.
- 9.6 Reactive Power and Primary Frequency Response.**

9.6.1 Power Factor Design Criteria.

- 9.6.1.1 Synchronous Generation.** Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all synchronous generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all non-synchronous generators in the Control Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 Voltage Regulators. Whenever the Large Generating Facility is operated in parallel with the Transmission System and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its voltage regulators in automatic operation. If the Large Generating Facility's voltage regulators are not

capable of such automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power. Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.6.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the

nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Large Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in Sections 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

9.6.4.1 Governor or Equivalent Controls. Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection

Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

9.6.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 Exemptions. Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 9.6.4, 9.6.4.1, and 9.6.4.2 of this

Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 9.6.4, but shall be otherwise exempt from the operating requirements in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4. Electric Storage Resources. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 9.6.4, 9.6.4.1, 9.6.4.2 and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the

Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules. Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the

Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service. If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all

generating facilities directly connected to the Transmission System;

- 9.7.2.3** When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;
- 9.7.2.4** Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;
- 9.7.2.5** The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions. The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of

under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements.

- 9.7.4.1 System Protection Facilities.** Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.
- 9.7.4.2** Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.
- 9.7.4.3** Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.
- 9.7.4.4** Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.
- 9.7.4.5** Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.
- 9.7.4.6** Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping

of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

10.1 Transmission Provider Obligations. Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations. Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's

Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination. The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems. Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

Article 11. Performance Obligation

11.1 Interconnection Customer Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 Transmission Provider's Interconnection Facilities. Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades. Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts

advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

11.4.2 Special Provisions for Affected Systems. Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of

the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

In addition:

- 11.5.1** The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.
- 11.5.2** The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.
- 11.5.3** The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

- 11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition.** Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that

Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

12.4 Disputes. In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission

Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

13.1 Definition. "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations. Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice. Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action. Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

13.5 Transmission Provider Authority.

13.5.1 General. Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection. Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility

or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or

the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

- 14.2.1** The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.
- 14.2.2** This LGIA is subject to all Applicable Laws and Regulations.
- 14.2.3** Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15. Notices.

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in

writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice . Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default

17.1.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30)

Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

- 17.1.2 Right to Terminate.** If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this LGIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this LGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

- 18.1.1 Indemnified Person.** If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

- 18.1.2 Indemnifying Party.** If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this

Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the

consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

18.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance. Each party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

- 18.3.1** Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.
- 18.3.2** Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.
- 18.3.3** Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.

- 18.3.4** Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.
- 18.3.5** The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.
- 18.3.6** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.
- 18.3.7** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- 18.3.8** The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.
- 18.3.9** Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of

the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19. Assignment

19.1 Assignment. This LGIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of

the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

21.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 Term. During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to

comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

- 22.1.4 Rights.** Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 22.1.5 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.
- 22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

- 22.1.8 Termination of Agreement.** Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.
- 22.1.9 Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.
- 22.1.10 Disclosure to FERC, its Staff, or a State.** Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such

information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

23.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

24.1 Information Acquisition. Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider. The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage.

Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station.

Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

25.1 Information Access. Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and

(ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.

25.2 Reporting of Non-Force Majeure Events. Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records.

Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

26.1 General. Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

27.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

27.2 External Arbitration Procedures. Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the

standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

27.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation

documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

- 28.1.4 Consent and Approval.** Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

Article 29. Joint Operating Committee

29.1 Joint Operating Committee. Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

- 29.1.1** Establish data requirements and operating record requirements.
- 29.1.2** Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.
- 29.1.3** Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

- 29.1.4** Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.
- 29.1.5** Ensure that information is being provided by each Party regarding equipment availability.
- 29.1.6** Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

30.1 Binding Effect. This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts. In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7)

"including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement. This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.

30.5 No Third Party Beneficiaries. This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

30.6 Waiver. The failure of a Party to this LGIA to insist, on any occasion, upon strict performance of any provision of this LGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts. This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. Transmission Provider shall have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Appendix A to LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:

(a) **[insert Interconnection Customer's Interconnection Facilities]:**

(b) **[insert Transmission Provider's Interconnection Facilities]:**

2. Network Upgrades:

(a) **[insert Stand Alone Network Upgrades]:**

(b) **[insert Other Network Upgrades]:**

3. Distribution Upgrades:

3. Contingent Facilities:

Appendix B to LGIA

Milestones

Appendix C to LGIA
Interconnection Details

Appendix D to LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

Appendix E to LGIA
Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

[Transmission Provider Address]

Re: _____ Large Generating Facility

Dear _____:

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. _____. This letter confirms that **[Interconnection Customer]** commenced Commercial Operation of Unit No. _____ at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Notices:.

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

APPENDIX G

INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and

single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer(i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.

Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has executed a Facilities Study Agreement as of the effective date of the Final Rule establishing the reactive power requirements for non-synchronous generators in section 9.6.1 of this LGIA (Order No. 827). A wind generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Transmission Provider's System Impact Study shows that such a requirement is

necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability 606 (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

Attachment Q

**Small Generator Interconnection Procedures (SGIP)
(For Generating Facilities No Larger Than 20 MW)**

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Section 1. Application

1.1 Applicability

- 1.1.1 A request to interconnect a certified Small Generating Facility (See Attachments 3 and 4 for description of certification criteria) to the Transmission Provider's Distribution System shall be evaluated under the section 2 Fast Track Process if the eligibility requirements of section 2.1 are met. A request to interconnect a certified inverter-based Small Generating Facility no larger than 10 kilowatts (kW) shall be evaluated under the Attachment 5 10 kW Inverter Process. A request to interconnect a Small Generating Facility no larger than 20 megawatts (MW) that does not meet the eligibility requirements of section 2.1, or does not pass the Fast Track Process or the 10 kW Inverter Process, shall be evaluated under the section 3 Study Process. If the Interconnection Customer wishes to interconnect its Small Generating Facility using Network Resource Interconnection Service, it must do so under the Standard Large Generator Interconnection Procedures and execute the Standard Large Generator Interconnection Agreement.
- 1.1.2 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.
- 1.1.3 Neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to 60 Business Days after the effective date of these procedures.
- 1.1.4 Prior to submitting its Interconnection Request (Attachment 2), the Interconnection Customer may ask the Transmission Provider's interconnection contact employee or office whether the proposed interconnection is subject to these procedures. The Transmission Provider shall respond within 15 Business Days.
- 1.1.5 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Federal Energy Regulatory Commission expects all Transmission Providers, market participants, and Interconnection Customers interconnected with electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric

reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

- 1.1.6 References in these procedures to interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

1.2 Pre-Application

- 1.2.1 The Transmission Provider shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and e-mail address of such contact employee or office shall be made available on the Transmission Provider's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Transmission Provider's Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The Transmission Provider shall comply with reasonable requests for such information.
- 1.2.2 In addition to the information described in section 1.2.1, which may be provided in response to an informal request, an Interconnection Customer may submit a formal written request form along with a non-refundable fee of \$300 for a pre-application report on a proposed project at a specific site. The Transmission Provider shall provide the pre-application data described in section 1.2.3 to the Interconnection Customer within 20 Business Days of receipt of the completed request form and payment of the \$300 fee. The pre-application report produced by the Transmission Provider is nonbinding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the Transmission Provider's system. The written pre-application report request form shall include the information in sections 1.2.2.1 through 1.2.2.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection.

- 1.2.2.1 Project contact information, including name, address, phone number, and email address.
 - 1.2.2.2 Project location (street address with nearby cross streets and town)
 - 1.2.2.3 Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.
 - 1.2.2.4 Generator Type (e.g., solar, wind, combined heat and power, etc.)
 - 1.2.2.5 Size (alternating current kW)
 - 1.2.2.6 Single or three phase generator configuration
 - 1.2.2.7 Stand-alone generator (no onsite load, not including station service – Yes or No?)
 - 1.2.2.8 Is new service requested? Yes or No? If there is existing service, include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change.
- 1.2.3. Using the information provided in the pre-application report request form in section 1.2.2, the Transmission Provider will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. This selection by the Transmission Provider does not necessarily indicate, after application of the screens and/or study, that this would be the circuit the project ultimately connects to. The Interconnection Customer must request additional pre-application reports if information about multiple Points of Interconnection is requested. Subject to section 1.2.4, the pre-application report will include the following information:
- 1.2.3.1 Total capacity (in MW) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Interconnection.
 - 1.2.3.2 Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed Point of Interconnection.

- 1.2.3.3 Aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (i.e., amount of generation in the queue) likely to serve the proposed Point of Interconnection.
- 1.2.3.4 Available capacity (in MW) of substation/area bus or bank and circuit likely to serve the proposed Point of Interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).
- 1.2.3.5 Substation nominal distribution voltage and/or transmission nominal voltage if applicable.
- 1.2.3.6 Nominal distribution circuit voltage at the proposed Point of Interconnection.
- 1.2.3.7 Approximate circuit distance between the proposed Point of Interconnection and the substation.
- 1.2.3.8 Relevant line section(s) actual or estimated peak load and minimum load data, including daytime minimum load as described in section 2.4.4.1.1 below and absolute minimum load, when available.
- 1.2.3.9 Number and rating of protective devices and number and type (standard, bi-directional) of voltage regulating devices between the proposed Point of Interconnection and the substation/area. Identify whether the substation has a load tap changer.
- 1.2.3.10 Number of phases available at the proposed Point of Interconnection. If a single phase, distance from the three-phase circuit.
- 1.2.3.11 Limiting conductor ratings from the proposed Point of Interconnection to the distribution substation.
- 1.2.3.12 Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.
- 1.2.3.13 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting

capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.

- 1.2.4 The pre-application report need only include existing data. A pre-application report request does not obligate the Transmission Provider to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the Transmission Provider cannot complete all or some of a pre-application report due to lack of available data, the Transmission Provider shall provide the Interconnection Customer with a pre-application report that includes the data that is available. The provision of information on “available capacity” pursuant to section 1.2.3.4 does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the pre-application report may become outdated at the time of the submission of the complete Interconnection Request. Notwithstanding any of the provisions of this section, the Transmission Provider shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

1.3 Interconnection Request

The Interconnection Customer shall submit its Interconnection Request to the Transmission Provider, together with the processing fee or deposit specified in the Interconnection Request. The Interconnection Request shall be date- and time-stamped upon receipt. The original date- and time-stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. The Interconnection Customer shall be notified of receipt by the Transmission Provider within three Business Days of receiving the Interconnection Request. The Transmission Provider shall notify the Interconnection Customer within ten Business Days of the receipt of the Interconnection Request as to whether the Interconnection Request is complete or incomplete. If the Interconnection Request is incomplete, the Transmission Provider shall provide along with the notice that the Interconnection Request is incomplete, a written list detailing all information that must be provided to complete the Interconnection Request. The Interconnection Customer will

have ten Business Days after receipt of the notice to submit the listed information or to request an extension of time to provide such information. If the Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Interconnection Request will be deemed withdrawn. An Interconnection Request will be deemed complete upon submission of the listed information to the Transmission Provider.

1.4 Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by the Transmission Provider and the Interconnection Customer may be deemed a withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken.

1.5 Site Control

Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

- 1.5.1 Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;
- 1.5.2 An option to purchase or acquire a leasehold site for such purpose; or
- 1.5.3 An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

1.6 Queue Position

The Transmission Provider shall assign a Queue Position based upon the date- and time-stamp of the Interconnection Request. The Queue Position of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. The Transmission Provider shall maintain a single queue per geographic region. At the Transmission

Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study.

1.7 Interconnection Requests Submitted Prior to the Effective Date of the SGIP

Nothing in this SGIP affects an Interconnection Customer's Queue Position assigned before the effective date of this SGIP. The Parties agree to complete work on any interconnection study agreement executed prior the effective date of this SGIP in accordance with the terms and conditions of that interconnection study agreement. Any new studies or other additional work will be completed pursuant to this SGIP.

Section 2. Fast Track Process

2.1 Applicability

The Fast Track Process is available to an Interconnection Customer proposing to interconnect its Small Generating Facility with the Transmission Provider's Distribution System if the Small Generating Facility's capacity does not exceed the size limits identified in the table below. Small Generating Facilities below these limits are eligible for Fast Track review. However, Fast Track eligibility is distinct from the Fast Track Process itself, and eligibility does not imply or indicate that a Small Generating Facility will pass the Fast Track screens in section 2.2.1 below or the Supplemental Review screens in section 2.4.4 below.

Fast Track eligibility is determined based upon the generator type, the size of the generator, voltage of the line and the location of and the type of line at the Point of Interconnection. All Small Generating Facilities connecting to lines greater than 69 kilovolt (kV) are ineligible for the Fast Track Process regardless of size. All synchronous and induction machines must be no larger than 2 MW to be eligible for the Fast Track Process, regardless of location. For certified inverter-based systems, the size limit varies according to the voltage of the line at the proposed Point of Interconnection. Certified inverter-based Small Generating Facilities located within 2.5 electrical circuit miles of a substation and on a mainline (as defined in the table below) are eligible for the Fast Track Process under the higher thresholds according to the table below. In addition to the size threshold, the Interconnection Customer's proposed Small Generating Facility must meet the codes, standards, and certification requirements of Attachments 3 and 4 of these

procedures, or the Transmission Provider has to have reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

Fast Track Eligibility for Inverter-Based Systems		
Line Voltage	Fast Track Eligibility Regardless of Location	Fast Track Eligibility on a Mainline ¹ and ≤ 2.5 Electrical Circuit Miles from Substation ²
< 5 kV	≤ 500 kW	≤ 500 kW
≥ 5 kV and < 15 kV	≤ 2 MW	≤ 3 MW
≥ 15 kV and < 30 kV	≤ 3 MW	≤ 4 MW
≥ 30 kV and ≤ 69 kV	≤ 4 MW	≤ 5 MW

2.2 Initial Review

Within 15 Business Days after the Transmission Provider notifies the Interconnection Customer it has received a complete Interconnection Request, the Transmission Provider shall perform an initial review using the screens set forth below, shall notify the Interconnection Customer of the results, and include with the notification copies of the analysis and data underlying the Transmission Provider's determinations under the screens.

2.2.1 Screens

2.2.1.1 The proposed Small Generating Facility's Point of Interconnection must be on a portion of the Transmission Provider's Distribution System that is subject to the Tariff.

¹ For purposes of this table, a mainline is the three-phase backbone of a circuit. It will typically constitute lines with wire sizes of 4/0 American wire gauge, 336.4 kcmil, 397.5 kcmil, 477 kcmil and 795 kcmil.

² An Interconnection Customer can determine this information about its proposed interconnection location in advance by requesting a pre-application report pursuant to section 1.2.

- 2.2.1.2 For interconnection of a proposed Small Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Small Generating Facility, on the circuit shall not exceed 15 % of the line section annual peak load as most recently measured at the substation. A line section is that portion of a Transmission Provider's electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.
- 2.2.1.3 For interconnection of a proposed Small Generating Facility to the load side of spot network protectors, the proposed Small Generating Facility must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, shall not exceed the smaller of 5 % of a spot network's maximum load or 50 kW.³
- 2.2.1.4 The proposed Small Generating Facility, in aggregation with other generation on the distribution circuit, shall not contribute more than 10 % to the distribution circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.
- 2.2.1.5 The proposed Small Generating Facility, in aggregate with other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Interconnection Customer equipment on the system to exceed 87.5 % of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds 87.5 % of the short circuit interrupting capability.

³ A spot network is a type of distribution system found within modern commercial buildings to provide high reliability of service to a single customer. (Standard Handbook for Electrical Engineers, 11th edition, Donald Fink, McGraw Hill Book Company)

- 2.2.1.6 Using the table below, determine the type of interconnection to a primary distribution line. This screen includes a review of the type of electrical service provided to the Interconnecting Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on the Transmission Provider's electric power system due to a loss of ground during the operating time of any anti-islanding function.

Primary Distribution Line Type	Type of Interconnection to Primary Distribution Line	Result/Criteria
Three-phase, three wire	3-phase or single phase, phase-to-phase	Pass screen
Three-phase, four wire	Effectively-grounded 3 phase or Single-phase, line-to-neutral	Pass screen

- 2.2.1.7 If the proposed Small Generating Facility is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed Small Generating Facility, shall not exceed 20 kW.
- 2.2.1.8 If the proposed Small Generating Facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20 % of the nameplate rating of the service transformer.
- 2.2.1.9 The Small Generating Facility, in aggregate with other generation interconnected to the transmission side of a substation transformer feeding the circuit where the Small Generating Facility proposes to interconnect shall not exceed 10 MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (e.g., three or four transmission busses from the point of interconnection).

2.2.1.10 No construction of facilities by the Transmission Provider on its own system shall be required to accommodate the Small Generating Facility.

2.2.2 If the proposed interconnection passes the screens, the Interconnection Request shall be approved and the Transmission Provider will provide the Interconnection Customer an executable interconnection agreement within five Business Days after the determination.

2.2.3 If the proposed interconnection fails the screens, but the Transmission Provider determines that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards, the Transmission Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days after the determination.

2.2.4 If the proposed interconnection fails the screens, and the Transmission Provider does not or cannot determine from the initial review that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless the Interconnection Customer is willing to consider minor modifications or further study, the Transmission Provider shall provide the Interconnection Customer with the opportunity to attend a customer options meeting.

2.3 Customer Options Meeting

If the Transmission Provider determines the Interconnection Request cannot be approved without (1) minor modifications at minimal cost, (2) a supplemental study or other additional studies or actions, or (3) incurring significant cost to address safety, reliability, or power quality problems, the Transmission Provider shall notify the Interconnection Customer of that determination within five Business Days after the determination and provide copies of all data and analyses underlying its conclusion. Within ten Business Days of the Transmission Provider's determination, the Transmission Provider shall offer to convene a customer options meeting with the Transmission Provider to review possible

Interconnection Customer facility modifications or the screen analysis and related results, to determine what further steps are needed to permit the Small Generating Facility to be connected safely and reliably. At the time of notification of the Transmission Provider's determination, or at the customer options meeting, the Transmission Provider shall:

- 2.3.1 Offer to perform facility modifications or minor modifications to the Transmission Provider's electric system (e.g., changing meters, fuses, relay settings) and provide a non-binding good faith estimate of the limited cost to make such modifications to the Transmission Provider's electric system. If the Interconnection Customer agrees to pay for the modifications to the Transmission Provider's electric system, the Transmission Provider will provide the Interconnection Customer with an executable interconnection agreement within ten Business Days of the customer options meeting; or
- 2.3.2 Offer to perform a supplemental review in accordance with section 2.4 and provide a non-binding good faith estimate of the costs of such review; or
- 2.3.3 Obtain the Interconnection Customer's agreement to continue evaluating the Interconnection Request under the section 3 Study Process.

2.4 Supplemental Review

- 2.4.1 To accept the offer of a supplemental review, the Interconnection Customer shall agree in writing and submit a deposit for the estimated costs of the supplemental review in the amount of the Transmission Provider's good faith estimate of the costs of such review, both within 15 Business Days of the offer. If the written agreement and deposit have not been received by the Transmission Provider within that timeframe, the Interconnection Request shall continue to be evaluated under the section 3 Study Process unless it is withdrawn by the Interconnection Customer.
- 2.4.2 The Interconnection Customer may specify the order in which the Transmission Provider will complete the screens in section 2.4.4.
- 2.4.3 The Interconnection Customer shall be responsible for the Transmission Provider's actual costs for conducting the supplemental review. The Interconnection Customer must pay any review costs that exceed the deposit within 20 Business Days of

receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the Transmission Provider will return such excess within 20 Business Days of the invoice without interest.

- 2.4.4 Within 30 Business Days following receipt of the deposit for a supplemental review, the Transmission Provider shall (1) perform a supplemental review using the screens set forth below; (2) notify in writing the Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying the Transmission Provider's determinations under the screens. Unless the Interconnection Customer provided instructions for how to respond to the failure of any of the supplemental review screens below at the time the Interconnection Customer accepted the offer of supplemental review, the Transmission Provider shall notify the Interconnection Customer following the failure of any of the screens, or if it is unable to perform the screen in section 2.4.4.1, within two Business Days of making such determination to obtain the Interconnection Customer's permission to: (1) continue evaluating the proposed interconnection under this section 2.4.4; (2) terminate the supplemental review and continue evaluating the Small Generating Facility under section 3; or (3) terminate the supplemental review upon withdrawal of the Interconnection Request by the Interconnection Customer.

- 2.4.4.1 Minimum Load Screen: Where 12 months of line section minimum load data (including onsite load but not station service load served by the proposed Small Generating Facility) are available, can be calculated, can be estimated from existing data, or determined from a power flow model, the aggregate Generating Facility capacity on the line section is less than 100% of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the proposed Small Generating Facility. If minimum load data is not available, or cannot be calculated, estimated or determined, the Transmission Provider shall include the reason(s) that it is unable to calculate, estimate or

determine minimum load in its supplemental review results notification under section 2.4.4.

- 2.4.4.1.1 The type of generation used by the proposed Small Generating Facility will be taken into account when calculating, estimating, or determining circuit or line section minimum load relevant for the application of screen 2.4.4.1. Solar photovoltaic (PV) generation systems with no battery storage use daytime minimum load (i.e. 10 a.m. to 4 p.m. for fixed panel systems and 8 a.m. to 6 p.m. for PV systems utilizing tracking systems), while all other generation uses absolute minimum load.
- 2.4.4.1.2 When this screen is being applied to a Small Generating Facility that serves some station service load, only the net injection into the Transmission Provider's electric system will be considered as part of the aggregate generation.
- 2.4.4.1.3 Transmission Provider will not consider as part of the aggregate generation for purposes of this screen generating facility capacity known to be already reflected in the minimum load data.
- 2.4.4.2 Voltage and Power Quality Screen: In aggregate with existing generation on the line section: (1) the voltage regulation on the line section can be maintained in compliance with relevant requirements under all system conditions; (2) the voltage fluctuation is within acceptable limits as defined by Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or utility practice similar to IEEE Standard 1453; and (3) the harmonic levels meet IEEE Standard 519 limits.
- 2.4.4.3 Safety and Reliability Screen: The location of the proposed Small Generating Facility and the aggregate generation

capacity on the line section do not create impacts to safety or reliability that cannot be adequately addressed without application of the Study Process. The Transmission Provider shall give due consideration to the following and other factors in determining potential impacts to safety and reliability in applying this screen.

- 2.4.4.3.1 Whether the line section has significant minimum loading levels dominated by a small number of customers (e.g., several large commercial customers).
- 2.4.4.3.2 Whether the loading along the line section is uniform or even.
- 2.4.4.3.3 Whether the proposed Small Generating Facility is located in close proximity to the substation (i.e., less than 2.5 electrical circuit miles), and whether the line section from the substation to the Point of Interconnection is a Mainline rated for normal and emergency ampacity.
- 2.4.4.3.4 Whether the proposed Small Generating Facility incorporates a time delay function to prevent reconnection of the generator to the system until system voltage and frequency are within normal limits for a prescribed time.
- 2.4.4.3.5 Whether operational flexibility is reduced by the proposed Small Generating Facility, such that transfer of the line section(s) of the Small Generating Facility to a neighboring distribution circuit/substation may trigger overloads or voltage issues.

2.4.4.3.6 Whether the proposed Small Generating Facility employs equipment or systems certified by a recognized standards organization to address technical issues such as, but not limited to, islanding, reverse power flow, or voltage quality.

2.4.5 If the proposed interconnection passes the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, the Interconnection Request shall be approved and the Transmission Provider will provide the Interconnection Customer with an executable interconnection agreement within the timeframes established in sections 2.4.5.1 and 2.4.5.2 below. If the proposed interconnection fails any of the supplemental review screens and the Interconnection Customer does not withdraw its Interconnection Request, it shall continue to be evaluated under the section 3 Study Process consistent with section 2.4.5.3 below.

2.4.5.1 If the proposed interconnection passes the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above and does not require construction of facilities by the Transmission Provider on its own system, the interconnection agreement shall be provided within ten Business Days after the notification of the supplemental review results.

2.4.5.2 If interconnection facilities or minor modifications to the Transmission Provider's system are required for the proposed interconnection to pass the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, and the Interconnection Customer agrees to pay for the modifications to the Transmission Provider's electric system, the interconnection agreement, along with a non-binding good faith estimate for the interconnection facilities and/or minor modifications, shall be provided to the Interconnection Customer within 15 Business Days after receiving written notification of the supplemental review results.

- 2.4.5.3 If the proposed interconnection would require more than interconnection facilities or minor modifications to the Transmission Provider's system to pass the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, the Transmission Provider shall notify the Interconnection Customer, at the same time it notifies the Interconnection Customer with the supplemental review results, that the Interconnection Request shall be evaluated under the section 3 Study Process unless the Interconnection Customer withdraws its Small Generating Facility.

Section 3. Study Process

3.1 Applicability

The Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with the Transmission Provider's Transmission System or Distribution System if the Small Generating Facility (1) is larger than 2 MW but no larger than 20 MW, (2) is not certified, or (3) is certified but did not pass the Fast Track Process or the 10 kW Inverter Process.

3.2 Scoping Meeting

- 3.2.1 A scoping meeting will be held within ten Business Days after the Interconnection Request is deemed complete, or as otherwise mutually agreed to by the Parties. The Transmission Provider and the Interconnection Customer will bring to the meeting personnel, including system engineers and other resources as may be reasonably required to accomplish the purpose of the meeting.
- 3.2.2 The purpose of the scoping meeting is to discuss the Interconnection Request and review existing studies relevant to the Interconnection Request. The Parties shall further discuss whether the Transmission Provider should perform a feasibility study or proceed directly to a system impact study, or a facilities study, or an interconnection agreement. If the Parties agree that a feasibility study should be performed, the Transmission Provider shall provide the Interconnection Customer, as soon as possible,

but not later than five Business Days after the scoping meeting, a feasibility study agreement (Attachment 6) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

- 3.2.3 The scoping meeting may be omitted by mutual agreement. In order to remain in consideration for interconnection, an Interconnection Customer who has requested a feasibility study must return the executed feasibility study agreement within 15 Business Days. If the Parties agree not to perform a feasibility study, the Transmission Provider shall provide the Interconnection Customer, no later than five Business Days after the scoping meeting, a system impact study agreement (Attachment 7) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

3.3 Feasibility Study

- 3.3.1 The feasibility study shall identify any potential adverse system impacts that would result from the interconnection of the Small Generating Facility.
- 3.3.2 A deposit of the lesser of 50 percent of the good faith estimated feasibility study costs or earnest money of \$1,000 may be required from the Interconnection Customer.
- 3.3.3 The scope of and cost responsibilities for the feasibility study are described in the attached feasibility study agreement (Attachment 6).
- 3.3.4 If the feasibility study shows no potential for adverse system impacts, the Transmission Provider shall send the Interconnection Customer a facilities study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study. If no additional facilities are required, the Transmission Provider shall send the Interconnection Customer an executable interconnection agreement within five Business Days.
- 3.3.5 If the feasibility study shows the potential for adverse system impacts, the review process shall proceed to the appropriate system impact study(s).

3.4 System Impact Study

- 3.4.1 A system impact study shall identify and detail the electric system impacts that would result if the proposed Small Generating Facility were

interconnected without project modifications or electric system modifications, focusing on the adverse system impacts identified in the feasibility study, or to study potential impacts, including but not limited to those identified in the scoping meeting. A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the electric system.

- 3.4.2 If no transmission system impact study is required, but potential electric power Distribution System adverse system impacts are identified in the scoping meeting or shown in the feasibility study, a distribution system impact study must be performed. The Transmission Provider shall send the Interconnection Customer a distribution system impact study agreement within 15 Business Days of transmittal of the feasibility study report, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or following the scoping meeting if no feasibility study is to be performed.
- 3.4.3 In instances where the feasibility study or the distribution system impact study shows potential for transmission system adverse system impacts, within five Business Days following transmittal of the feasibility study report, the Transmission Provider shall send the Interconnection Customer a transmission system impact study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, if such a study is required.
- 3.4.4 If a transmission system impact study is not required, but electric power Distribution System adverse system impacts are shown by the feasibility study to be possible and no distribution system impact study has been conducted, the Transmission Provider shall send the Interconnection Customer a distribution system impact study agreement.
- 3.4.5 If the feasibility study shows no potential for transmission system or Distribution System adverse system impacts, the Transmission Provider shall send the Interconnection Customer either a facilities study agreement (Attachment 8), including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or an executable interconnection agreement, as applicable.

- 3.4.6 In order to remain under consideration for interconnection, the Interconnection Customer must return executed system impact study agreements, if applicable, within 30 Business Days.
- 3.4.7 A deposit of the good faith estimated costs for each system impact study may be required from the Interconnection Customer.
- 3.4.8 The scope of and cost responsibilities for a system impact study are described in the attached system impact study agreement.
- 3.4.9 Where transmission systems and Distribution Systems have separate owners, such as is the case with transmission-dependent utilities ("TDUs") – whether investor-owned or not – the Interconnection Customer may apply to the nearest Transmission Provider (Transmission Owner, Regional Transmission Operator, or Independent Transmission Provider) providing transmission service to the TDU to request project coordination. Affected Systems shall participate in the study and provide all information necessary to prepare the study.

3.5 Facilities Study

- 3.5.1 Once the required system impact study(s) is completed, a system impact study report shall be prepared and transmitted to the Interconnection Customer along with a facilities study agreement within five Business Days, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study. In the case where one or both impact studies are determined to be unnecessary, a notice of the fact shall be transmitted to the Interconnection Customer within the same timeframe.
- 3.5.2 In order to remain under consideration for interconnection, or, as appropriate, in the Transmission Provider's interconnection queue, the Interconnection Customer must return the executed facilities study agreement or a request for an extension of time within 30 Business Days.
- 3.5.3 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).

- 3.5.4 Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. The Transmission Provider may contract with consultants to perform activities required under the facilities study agreement. The Interconnection Customer and the Transmission Provider may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by the Transmission Provider, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, the Transmission Provider shall make sufficient information available to the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.
- 3.5.5 A deposit of the good faith estimated costs for the facilities study may be required from the Interconnection Customer.
- 3.5.6 The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement.
- 3.5.7 Upon completion of the facilities study, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, the Transmission Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days.

Section 4. Provisions that Apply to All Interconnection Requests

4.1 Reasonable Efforts

The Transmission Provider shall make reasonable efforts to meet all time frames provided in these procedures unless the Transmission Provider and the Interconnection Customer agree to a different schedule. If the Transmission Provider cannot meet a deadline provided herein, it shall notify the Interconnection Customer, explain the reason for the failure to meet the deadline,

and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

4.2 Disputes

- 4.2.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 4.2.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 4.2.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 4.2.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 4.2.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 4.2.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of these procedures.

4.3 Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with Federal Energy Regulatory Commission, state, or local regulatory requirements or the Transmission Provider's specifications.

4.4 Commissioning

Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The Transmission

Provider must be given at least five Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

4.5. Confidentiality

4.5.1 Confidential information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of these procedures all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such.

4.5.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce these procedures. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under these procedures, or to fulfill legal or regulatory requirements.

4.5.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

4.5.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

4.5.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to these procedures, the Party shall provide the requested information to FERC, within the time provided for in

the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC. The Party shall notify the other Party when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

4.6 Comparability

The Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this document. The Transmission Provider shall use the same reasonable efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Small Generating Facility is owned or operated by the Transmission Provider, its subsidiaries or affiliates, or others.

4.7 Record Retention

The Transmission Provider shall maintain for three years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests.

4.8 Interconnection Agreement

After receiving an interconnection agreement from the Transmission Provider, the Interconnection Customer shall have 30 Business Days or another mutually agreeable timeframe to sign and return the interconnection agreement or request that the Transmission Provider file an unexecuted interconnection agreement with the Federal Energy Regulatory Commission. If the Interconnection Customer does not sign the interconnection agreement, or ask that it be filed unexecuted by the Transmission Provider within 30 Business Days, the Interconnection Request shall be deemed withdrawn. After the interconnection agreement is signed by the

Parties, the interconnection of the Small Generating Facility shall proceed under the provisions of the interconnection agreement.

4.9 Coordination with Affected Systems

The Transmission Provider shall coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in these procedures. The Transmission Provider will include such Affected System operators in all meetings held with the Interconnection Customer as required by these procedures. The Interconnection Customer will cooperate with the Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with the Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

4.10 Capacity of the Small Generating Facility

- 4.10.1 If the Interconnection Request is for an increase in capacity for an existing Small Generating Facility, the Interconnection Request shall be evaluated on the basis of the new total capacity of the Small Generating Facility.
- 4.10.2 If the Interconnection Request is for a Small Generating Facility that includes multiple energy production devices at a site for which the Interconnection Customer seeks a single Point of Interconnection, the Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple devices.
- 4.10.3 The Interconnection Request shall be evaluated using the maximum capacity that the Small Generating Facility is capable of injecting into the Transmission Provider's electric system. However, if the maximum capacity that the Small Generating Facility is capable of injecting into the Transmission Provider's electric system is limited (e.g., through use of a control system, power relay(s), or other similar device settings or adjustments), then the Interconnection

Customer must obtain the Transmission Provider's agreement, with such agreement not to be unreasonably withheld, that the manner in which the Interconnection Customer proposes to implement such a limit will not adversely affect the safety and reliability of the Transmission Provider's system. If the Transmission Provider does not so agree, then the Interconnection Request must be withdrawn or revised to specify the maximum capacity that the Small Generating Facility is capable of injecting into the Transmission Provider's electric system without such limitations. Furthermore, nothing in this section shall prevent a Transmission Provider from considering an output higher than the limited output, if appropriate, when evaluating system protection impacts.

Attachment 1

Glossary of Terms

10 kW Inverter Process – The procedure for evaluating an Interconnection Request for a certified inverter-based Small Generating Facility no larger than 10 kW that uses the section 2 screens. The application process uses an all-in-one document that includes a simplified Interconnection Request, simplified procedures, and a brief set of terms and conditions. See SGIP Attachment 5.

Affected System – An electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Business Day – Monday through Friday, excluding Federal Holidays.

Distribution System – The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Fast Track Process – The procedure for evaluating an Interconnection Request for a certified Small Generating Facility that meets the eligibility requirements of section 2.1 and includes the section 2 screens, customer options meeting, and optional supplemental review.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and act which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.

Interconnection Facilities – The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Resource – Any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service – An Interconnection Service that allows the Interconnection Customer to integrate its Generating Facility with the Transmission Provider's System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades – Additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection with the Small Generating Facility to the

Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider's Transmission System.

Queue Position – The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Small Generating Facility – The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Study Process – The procedure for evaluating an Interconnection Request that includes the section 3 scoping meeting, feasibility study, system impact study, and facilities study.

Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission System – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

Upgrades – The required additions and modifications to the Transmission Provider's Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Attachment 2
SMALL GENERATOR INTERCONNECTION REQUEST
(Application Form)

Transmission Provider: _____

Designated Contact Person: _____

Address: _____

Telephone Number: _____

Fax: _____

E-Mail Address: _____

An Interconnection Request is considered complete when it provides all applicable and correct information required below. Per SGIP section 1.5, documentation of site control must be submitted with the Interconnection Request.

Preamble and Instructions

An Interconnection Customer who requests a Federal Energy Regulatory Commission jurisdictional interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the Transmission Provider.

Processing Fee or Deposit:

If the Interconnection Request is submitted under the Fast Track Process, the non-refundable processing fee is \$500.

If the Interconnection Request is submitted under the Study Process, whether a new submission or an Interconnection Request that did not pass the Fast Track Process, the Interconnection Customer shall submit to the Transmission Provider a deposit not to exceed \$1,000 towards the cost of the feasibility study.

Interconnection Customer Information

Legal Name of the Interconnection Customer (or, if an individual, individual's name)

Name: _____

Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Facility Location (if different from above): _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Alternative Contact Information (if different from the Interconnection Customer)

Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Application is for: _____ New Small Generating Facility

_____ Capacity addition to Existing Small Generating Facility

If capacity addition to existing facility, please describe: _____

Will the Small Generating Facility be used for any of the following?

Net Metering? Yes ____ No ____

To Supply Power to the Interconnection Customer? Yes ____ No ____

To Supply Power to Others? Yes ____ No ____

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

(Local Electric Service Provider*)

(Existing Account Number*)

[*To be provided by the Interconnection Customer if the local electric service provider is different from the Transmission Provider]

Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Requested Point of Interconnection: _____

Interconnection Customer's Requested In-Service Date: _____

Small Generating Facility Information

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: ☐ Solar ☐ Wind ☐ Hydro ☐ Hydro Type (e.g. Run-of-River): _____
☐ Diesel ☐ Natural Gas ☐ Fuel Oil ☐ Other (state type) _____

Prime Mover: ☐ Fuel Cell ☐ Recip Engine ☐ Gas Turb ☐ Steam Turb
☐ Microturbine ☐ PV ☐ Other

Type of Generator: ☐ Synchronous ☐ Induction ☐ Inverter

Generator Nameplate Rating: _____ kW (Typical) Generator Nameplate kVAR: _____

Interconnection Customer or Customer-Site Load: _____ kW (if none, so state)

Typical Reactive Load (if known): _____

Maximum Physical Export Capability Requested: _____ kW

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Is the prime mover compatible with the certified protective relay package? ☐ Yes ☐ No

Generator (or solar collector) Manufacturer, Model Name & Number: _____

Version Number: _____

Nameplate Output Power Rating in kW: (Summer) _____ (Winter) _____

Nameplate Output Power Rating in kVA: (Summer) _____ (Winter) _____

Individual Generator Power Factor

Rated Power Factor: Leading: _____ Lagging: _____

Total Number of Generators in wind farm to be interconnected pursuant to this

Interconnection Request: _____ Elevation: _____ Single phase ___ Three phase ___

Inverter Manufacturer, Model Name & Number (if used): _____

List of adjustable set points for the protective equipment or software: _____

Note: A completed Power Systems Load Flow data sheet must be supplied with the Interconnection Request.

Small Generating Facility Characteristic Data (for inverter-based machines)

Max design fault contribution current: _____ Instantaneous or RMS _____ ?

Harmonics Characteristics: _____

Start-up requirements: _____

Small Generating Facility Characteristic Data (for rotating machines)

RPM Frequency: _____

(*) Neutral Grounding Resistor (If Applicable): _____

Synchronous Generators:

Direct Axis Synchronous Reactance, X_d : _____ P.U.

Direct Axis Transient Reactance, X'_d : _____ P.U.

Direct Axis Subtransient Reactance, X''_d : _____ P.U.

Negative Sequence Reactance, X_2 : _____ P.U.

Zero Sequence Reactance, X_0 : _____ P.U.

Small Generator Interconnection Request

KVA Base: _____

Field Volts: _____

Field Amperes: _____

Induction Generators:

Motoring Power (kW): _____

I22t or K (Heating Time Constant): _____

Rotor Resistance, Rr: _____

Stator Resistance, Rs: _____

Stator Reactance, Xs: _____

Rotor Reactance, Xr: _____

Magnetizing Reactance, Xm: _____

Short Circuit Reactance, Xd": _____

Exciting Current: _____

Temperature Rise: _____

Frame Size: _____

Design Letter: _____

Reactive Power Required In Vars (No Load): _____

Reactive Power Required In Vars (Full Load): _____

Total Rotating Inertia, H: _____ Per Unit on kVA Base

Note: Please contact the Transmission Provider prior to submitting the Interconnection Request to determine if the specified information above is required.

Excitation and Governor System Data for Synchronous Generators Only

Provide appropriate IEEE model block diagram of excitation system, governor system and power system stabilizer (PSS) in accordance with the regional reliability council criteria. A PSS may be determined to be required by applicable studies. A copy of the manufacturer's block diagram may not be substituted.

Interconnection Facilities Information

Will a transformer be used between the generator and the point of common coupling?

☐ Yes ☐ No

Will the transformer be provided by the Interconnection Customer? ☐ Yes ☐ No

Transformer Data (If Applicable, for Interconnection Customer-Owned Transformer):

Is the transformer: ☐ single phase ☐ three phase? Size: _____ kVA

Transformer Impedance: _____ % on _____ kVA Base

If Three Phase:

Transformer Primary: _____ Volts ☐ Delta ☐ Wye ☐ Wye Grounded

Transformer Secondary: _____ Volts ☐ Delta ☐ Wye ☐ Wye Grounded

Transformer Tertiary: _____ Volts ☐ Delta ☐ Wye ☐ Wye Grounded

Transformer Fuse Data (If Applicable, for Interconnection Customer-Owned Fuse):

(Attach copy of fuse manufacturer's Minimum Melt and Total Clearing Time-Current Curves)

Manufacturer: _____ Type: _____ Size: _____ Speed: _____

Interconnecting Circuit Breaker (if applicable):

Manufacturer: _____ Type: _____

Load Rating (Amps): _____ Interrupting Rating (Amps): _____ Trip Speed (Cycles): _____

Interconnection Protective Relays (If Applicable):If Microprocessor-Controlled:

List of Functions and Adjustable Setpoints for the protective equipment or software:

	Setpoint Function	Minimum	Maximum
1 .	_____	_____	_____
2 .	_____	_____	_____
3 .	_____	_____	_____
4 .	_____	_____	_____
5 .	_____	_____	_____
6 .	_____	_____	_____

If Discrete Components:

(Enclose Copy of any Proposed Time-Overcurrent Coordination Curves)

Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____

Current Transformer Data (If Applicable):

(Enclose Copy of Manufacturer's Excitation and Ratio Correction Curves)

Manufacturer: _____

Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____

Manufacturer: _____

Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____

Potential Transformer Data (If Applicable):

Manufacturer: _____

Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____

Manufacturer: _____

Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____

General Information

Enclose copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW. Is One-Line Diagram Enclosed? ____ Yes ____ No

Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g., USGS topographic map or other diagram or documentation).

Proposed location of protective interface equipment on property (include address if different from the Interconnection Customer's address) _____

Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Available Documentation Enclosed? ____ Yes ____ No

Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable).

Are Schematic Drawings Enclosed? ____ Yes ____ No

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct.

For Interconnection Customer: _____ Date: _____

Attachment 3

Certification Codes and Standards

IEEE1547 Standard for Interconnecting Distributed Resources with Electric Power Systems
(including use of IEEE 1547.1 testing protocols to establish conformity)

UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems

IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV)
Systems

NFPA 70 (2002), National Electrical Code

IEEE Std C37.90.1-1989 (R1994), IEEE Standard Surge Withstand Capability (SWC) Tests for
Protective Relays and Relay Systems

IEEE Std C37.90.2 (1995), IEEE Standard Withstand Capability of Relay Systems to Radiated
Electromagnetic Interference from Transceivers

IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers IEEE
Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network Protectors

IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low
Voltage (1000V and Less) AC Power Circuits

IEEE Std C62.45-1992 (R2002), IEEE Recommended Practice on Surge Testing for Equipment
Connected to Low-Voltage (1000V and Less) AC Power Circuits

ANSI C84.1-1995 Electric Power Systems and Equipment – Voltage Ratings (60 Hertz) IEEE
Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms NEMA MG 1-1998,
Motors and Small Resources, Revision 3

IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in
Electrical Power Systems

NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision 1

Attachment 4

Certification of Small Generator Equipment Packages

- 1.0 Small Generating Facility equipment proposed for use separately or packaged with other equipment in an interconnection system shall be considered certified for interconnected operation if (1) it has been tested in accordance with industry standards for continuous utility interactive operation in compliance with the appropriate codes and standards referenced below by any Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards listed in SGIP Attachment 3, (2) it has been labeled and is publicly listed by such NRTL at the time of the interconnection application, and (3) such NRTL makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its website and by encouraging such information to be included in the manufacturer's literature accompanying the equipment.
- 2.0 The Interconnection Customer must verify that the intended use of the equipment falls within the use or uses for which the equipment was tested, labeled, and listed by the NRTL.
- 3.0 Certified equipment shall not require further type-test review, testing, or additional equipment to meet the requirements of this interconnection procedure; however, nothing herein shall preclude the need for an on-site commissioning test by the parties to the interconnection nor follow-up production testing by the NRTL.
- 4.0 If the certified equipment package includes only interface components (switchgear, inverters, or other interface devices), then an Interconnection Customer must show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and is consistent with the testing and listing specified for this type of interconnection equipment.
- 5.0 Provided the generator or electric source, when combined with the equipment package, is within the range of capabilities for which it was tested by the NRTL, and does not violate the interface components' labeling and listing performed by the NRTL, no further design review, testing or additional equipment on the customer side of the point of common coupling shall be required to meet the requirements of this interconnection procedure.

6.0 An equipment package does not include equipment provided by the utility.

7.0 Any equipment package approved and listed in a state by that state's regulatory body for interconnected operation in that state prior to the effective date of these small generator interconnection procedures shall be considered certified under these procedures for use in that state.

Attachment 5
Application, Procedures, and Terms and Conditions for Interconnecting
a Certified Inverter-Based Small Generating Facility No
Larger than 10 kW ("10 kW Inverter Process")

- 1.0 The Interconnection Customer ("Customer") completes the Interconnection Request ("Application") and submits it to the Transmission Provider ("Company").
- 2.0 The Company acknowledges to the Customer receipt of the Application within three Business Days of receipt.
- 3.0 The Company evaluates the Application for completeness and notifies the Customer within ten Business Days of receipt that the Application is or is not complete and, if not, advises what material is missing.
- 4.0 The Company verifies that the Small Generating Facility can be interconnected safely and reliably using the screens contained in the Fast Track Process in the Small Generator Interconnection Procedures (SGIP). The Company has 15 Business Days to complete this process. Unless the Company determines and demonstrates that the Small Generating Facility cannot be interconnected safely and reliably, the Company approves the Application and returns it to the Customer. Note to Customer: Please check with the Company before submitting the Application if disconnection equipment is required.
- 5.0 After installation, the Customer returns the Certificate of Completion to the Company. Prior to parallel operation, the Company may inspect the Small Generating Facility for compliance with standards which may include a witness test, and may schedule appropriate metering replacement, if necessary.
- 6.0 The Company notifies the Customer in writing that interconnection of the Small Generating Facility is authorized. If the witness test is not satisfactory, the Company has the right to disconnect the Small Generating Facility. The Customer has no right to operate in parallel until a witness test has been performed, or previously waived on the Application. The Company is obligated to complete this witness test within ten Business Days of the receipt of the Certificate of Completion. If the Company does not inspect within ten Business Days or by mutual agreement of the Parties, the witness test is deemed waived.
- 7.0 Contact Information – The Customer must provide the contact information for the legal applicant (i.e., the Interconnection Customer). If another entity is responsible for interfacing with the Company, that contact information must be provided on the Application.

- 8.0 Ownership Information – Enter the legal names of the owner(s) of the Small Generating Facility. Include the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either.
- 9.0 UL1741 Listed – This standard ("Inverters, Converters, and Controllers for Use in Independent Power Systems") addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers submit their equipment to a Nationally Recognized Testing Laboratory (NRTL) that verifies compliance with UL1741. This "listing" is then marked on the equipment and supporting documentation.

Application for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10kW

This Application is considered complete when it provides all applicable and correct information required below. Per SGIP section 1.5, documentation of site control must be submitted with the Interconnection Request. Additional information to evaluate the Application may be required.

Processing Fee

A non-refundable processing fee of \$100 must accompany this Application.

Interconnection Customer

Name: _____

Contact Person: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Contact (if different from Interconnection Customer)

Name: _____

Contact Person: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Owner of the facility (include % ownership by any electric utility): _____

Small Generating Facility Information

Location (if different from above): _____

Electric Service Company: _____

Account Number: _____

Inverter Manufacturer: _____ Model: _____

Nameplate Rating: _____(kW) _____(kVA) _____(AC Volts)

Single Phase _____ Three Phase _____

System Design Capacity: _____ (kW) _____ (kVA)

Prime Mover: _____Photovoltaic _____Reciprocating Engine _____Fuel Cell

_____Turbine _____Other (describe) _____

Energy Source: _____Solar _____Wind _____Hydro _____Diesel _____Natural Gas

_____Fuel Oil _____Other (describe) _____

Is the equipment UL1741 Listed? _____Yes _____No

If Yes, attach manufacturer's cut-sheet showing UL1741 listing

Estimated Installation Date: _____ Estimated In-Service Date: _____

The 10 kW Inverter Process is available only for inverter-based Small Generating Facilities no larger than 10 kW that meet the codes, standards, and certification requirements of Attachments 3 and 4 of the Small Generator Interconnection Procedures (SGIP), or the Transmission Provider has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

List components of the Small Generating Facility equipment package that are currently certified:

	Equipment Type	Certifying Entity
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____

Interconnection Customer Signature

I hereby certify that, to the best of my knowledge, the information provided in this Application is true. I agree to abide by the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return the Certificate of Completion when the Small Generating Facility has been installed.

Signed: _____

Title: _____ Date: _____

.....
Contingent Approval to Interconnect the Small Generating Facility

(For Company use only)

Interconnection of the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return of the Certificate of Completion.

Company Signature: _____

Title: _____ Date: _____

Application ID number: _____

Company waives inspection/witness test? Yes___ No___

Small Generating Facility Certificate of Completion

Is the Small Generating Facility owner-installed? Yes_____ No _____

Interconnection Customer: _____

Contact Person: _____

Address: _____

Location of the Small Generating Facility (if different from above): _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Electrician:

Name: _____

Address: _____

Location of the Small Generating Facility (if different from above): _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

License number: _____

Date Approval to Install Facility granted by the Company: _____

Application ID number: _____

Inspection:

The Small Generating Facility has been installed and inspected in compliance with the local building/electrical code of: _____

Signed (Local electrical wiring inspector, or attach signed electrical inspection):

Print Name: _____

Date: _____

As a condition of interconnection, you are required to send/fax a copy of this form along with a copy of the signed electrical permit to (insert Company information below):

Name: _____

Company: _____

Address: _____

City, State ZIP: _____

Fax: _____

.....

Approval to Energize the Small Generating Facility (For Company use only)

Energizing the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

Company Signature: _____

Title: _____ Date: _____

Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

1.0 Construction of the Facility

The Interconnection Customer (the "Customer") may proceed to construct (including operational testing not to exceed two hours) the Small Generating Facility when the Transmission Provider (the "Company") approves the Interconnection Request (the "Application") and returns it to the Customer.

2.0 Interconnection and Operation

The Customer may operate Small Generating Facility and interconnect with the Company's electric system once all of the following have occurred:

- 2.1 Upon completing construction, the Customer will cause the Small Generating Facility to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction, and
- 2.2 The Customer returns the Certificate of Completion to the Company, and
- 2.3 The Company has either:
 - 2.3.1 Completed its inspection of the Small Generating Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be conducted by the Company, at its own expense, within ten Business Days after receipt of the Certificate of Completion and shall take place at a time agreeable to the Parties. The Company shall provide a written statement that the Small Generating Facility has passed inspection or shall notify the Customer of what steps it must take to pass inspection as soon as practicable after the inspection takes place; or
 - 2.3.2 If the Company does not schedule an inspection of the Small Generating Facility within ten business days after receiving the Certificate of Completion, the witness test is deemed waived (unless the Parties agree otherwise); or
 - 2.3.3 The Company waives the right to inspect the Small Generating Facility.
- 2.4 The Company has the right to disconnect the Small Generating Facility in the event of improper installation or failure to return the Certificate of Completion.
- 2.5 Revenue quality metering equipment must be installed and tested in accordance with applicable ANSI standards.

3.0 Safe Operations and Maintenance

The Customer shall be fully responsible to operate, maintain, and repair the Small Generating Facility as required to ensure that it complies at all times with the interconnection standards to which it has been certified.

4.0 Access

The Company shall have access to the disconnect switch (if the disconnect switch is required) and metering equipment of the Small Generating Facility at all times. The Company shall provide reasonable notice to the Customer when possible prior to using its right of access.

5.0 Disconnection

The Company may temporarily disconnect the Small Generating Facility upon the following conditions:

- 5.1 For scheduled outages upon reasonable notice.
- 5.2 For unscheduled outages or emergency conditions.
- 5.3 If the Small Generating Facility does not operate in the manner consistent with these Terms and Conditions.
- 5.4 The Company shall inform the Customer in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection.

6.0 Indemnification

The Parties shall at all times indemnify, defend, and save the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.0 Insurance

The Parties agree to follow all applicable insurance requirements imposed by the state in which the Point of Interconnection is located. All insurance policies must be maintained with insurers authorized to do business in that state.

8.0 Limitation of Liability

Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 6.0.

9.0 Termination

The agreement to operate in parallel may be terminated under the following conditions:

9.1 By the Customer

By providing written notice to the Company.

9.2 By the Company

If the Small Generating Facility fails to operate for any consecutive 12 month period or the Customer fails to remedy a violation of these Terms and Conditions.

9.3 Permanent Disconnection

In the event this Agreement is terminated, the Company shall have the right to disconnect its facilities or direct the Customer to disconnect its Small Generating Facility.

9.4 Survival Rights

This Agreement shall continue in effect after termination to the extent necessary to allow or require either Party to fulfill rights or obligations that arose under the Agreement.

10.0 Assignment/Transfer of Ownership of the Facility

This Agreement shall survive the transfer of ownership of the Small Generating Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies the Company.

Attachment 6 Feasibility Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____
20__ by and between _____,
a _____ organized and existing under the laws of the State of
_____, ("Interconnection Customer,") and
_____, a _____
existing under the laws of the State of _____,
("Transmission Provider"). Interconnection Customer and Transmission Provider each may be
referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or
generating capacity addition to an existing Small Generating Facility consistent with the
Interconnection Request completed by Interconnection Customer
on _____; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility
with the Transmission Provider's Transmission System; and

WHEREAS, Interconnection Customer has requested the Transmission Provider to perform a
feasibility study to assess the feasibility of interconnecting the proposed Small Generating
Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein
the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have
the meanings indicated or the meanings specified in the standard Small Generator
Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be
performed an interconnection feasibility study consistent the standard Small Generator
Interconnection Procedures in accordance with the Open Access Transmission Tariff.

- 3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the standard Small Generator Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.
- 5.0 In performing the study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.
- 6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:
 - 6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - 6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - 6.3 Initial review of grounding requirements and electric system protection; and
 - 6.4 Description and non-binding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.
- 7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.

- 8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.
- 9.0 A deposit of the lesser of 50 percent of good faith estimated feasibility study costs or earnest money of \$1,000 may be required from the Interconnection Customer.
- 10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a feasibility study.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.
- 13.0 Governing Law, Regulatory Authority, and Rules
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 14.0 Amendment
The Parties may amend this Agreement by a written instrument duly executed by both Parties.
- 15.0 No Third-Party Beneficiaries
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

16.0 Waiver

16.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

16.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

- 20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
- 20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

21.0 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider] [Insert name of Interconnection Customer]

Signed: _____ Signed: _____

Name (Printed): Name (Printed):

Title: _____ Title: _____

**Attachment A to
Feasibility Study Agreement
Assumptions Used in Conducting the Feasibility Study**

The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the scoping meeting held on _____:

- 1) Designation of Point of Interconnection and configuration to be studied.

- 2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Transmission Provider.

Attachment 7
System Impact Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____
20__ by and between _____,
a _____ organized and existing under the laws of the State of _____,
_____, ("Interconnection Customer,") and
_____, a _____
existing under the laws of the State of _____,
("Transmission Provider"). Interconnection Customer and Transmission Provider each may be
referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility
or generating capacity addition to an existing Small Generating Facility consistent with the
Interconnection Request completed by the Interconnection Customer
on _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility
with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a feasibility study and provided the
results of said study to the Interconnection Customer (This recital to be omitted if the Parties
have agreed to forego the feasibility study.); and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform
a system impact study(s) to assess the impact of interconnecting the Small Generating Facility
with the Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein
the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have
the meanings indicated or the meanings specified in the standard Small Generator
Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be
performed a system impact study(s) consistent with the standard Small Generator
Interconnection Procedures in accordance with the Open Access Transmission Tariff.

- 3.0 The scope of a system impact study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 A system impact study will be based upon the results of the feasibility study and the technical information provided by Interconnection Customer in the Interconnection Request. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the system impact study. If the Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the system impact study may be extended.
- 5.0 A system impact study shall consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews, as necessary. A system impact study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. A system impact study shall provide a list of facilities that are required as a result of the Interconnection Request and non-binding good faith estimates of cost responsibility and time to construct.
- 6.0 A distribution system impact study shall incorporate a distribution load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.
- 7.0 Affected Systems may participate in the preparation of a system impact study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment upon a system impact study that covers potential adverse system impacts on their electric systems, and the Transmission Provider has 20 additional Business Days to complete a system impact study requiring review by Affected Systems.

- 8.0 If the Transmission Provider uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the system impact study shall consider all generating facilities (and with respect to paragraph 8.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the system impact study is commenced –
- 8.1 Are directly interconnected with the Transmission Provider's electric system; or
 - 8.2 Are interconnected with Affected Systems and may have an impact on the proposed interconnection; and
 - 8.3 Have a pending higher queued Interconnection Request to interconnect with the Transmission Provider's electric system.
- 9.0 A distribution system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 30 Business Days after this Agreement is signed by the Parties. A transmission system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 45 Business Days after this Agreement is signed by the Parties, or in accordance with the Transmission Provider's queuing procedures.
- 10.0 A deposit of the equivalent of the good faith estimated cost of a distribution system impact study and the one half the good faith estimated cost of a transmission system impact study may be required from the Interconnection Customer.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.
- 13.0 Governing Law, Regulatory Authority, and Rules
 The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

14.0 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

15.0 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

16.0 Waiver

16.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

16.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

21.0 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and

FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider] [Insert name of Interconnection Customer]

Signed: _____ Signed: _____

Name (Printed): _____

Title: _____ Title: _____

**Attachment A to System
Impact Study Agreement
Assumptions Used in Conducting the System Impact Study**

The system impact study shall be based upon the results of the feasibility study, subject to any modifications in accordance with the standard Small Generator Interconnection Procedures, and the following assumptions:

- 1) Designation of Point of Interconnection and configuration to be studied.

- 2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Transmission Provider.

Attachment 8 Facilities Study Agreement

THIS AGREEMENT is made and entered into this _____ day of _____
20____ by and between _____,
a _____ organized and existing under the laws of the State of
_____, ("Interconnection Customer,") and
_____, a _____
existing under the laws of the State of _____,
("Transmission Provider"). Interconnection Customer and Transmission Provider each may be
referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility
or generating capacity addition to an existing Small Generating Facility consistent with the
Interconnection Request completed by the Interconnection Customer
on _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility
with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a system impact study and provided the
results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform
a facilities study to specify and estimate the cost of the equipment, engineering, procurement and
construction work needed to implement the conclusions of the system impact study in
accordance with Good Utility Practice to physically and electrically connect the Small
Generating Facility with the Transmission Provider's Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein
the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have
the meanings indicated or the meanings specified in the standard Small Generator
Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause a
facilities study consistent with the standard Small Generator Interconnection Procedures
to be performed in accordance with the Open Access Transmission Tariff.

- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.
- 4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.
- 5.0 The Transmission Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.
- 6.0 A deposit of the good faith estimated facilities study costs may be required from the Interconnection Customer.
- 7.0 In cases where Upgrades are required, the facilities study must be completed within 45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.
- 8.0 Once the facilities study is completed, a draft facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed and the draft facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.
- 9.0 Interconnection Customer may, within 30 Calendar Days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within 15 Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the

Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 4.5 of the standard Small Generator Interconnection Procedures.

- 10.0 Within ten Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.
- 13.0 Governing Law, Regulatory Authority, and Rules
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 14.0 Amendment
The Parties may amend this Agreement by a written instrument duly executed by both Parties.
- 15.0 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

16.0 Waiver

- 16.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- 16.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

- 20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
- 20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.
- 21.0 Reservation of Rights
- The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Facilities Study Agreement

Data to Be Provided by the Interconnection Customer with the Facilities Study Agreement

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections: _____

Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes ____ No ____

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes ____ No ____
(Please indicate on the one-line diagram).

What type of control system or PLC will be located at the Small Generating Facility?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to Transmission Provider's Transmission System.

Tower number observed in the field. (Painted on tower leg)*:

Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

Is the Small Generating Facility located in Transmission Provider’s service area?

Yes _____ No _____ If No, please provide name of local provider:

Please provide the following proposed schedule dates:

Begin Construction Date: _____

Generator step-up transformers Date: _____
receive back feed power

Generation Testing Date: _____

Commercial Operation Date: _____

ATTACHMENT R

**SMALL GENERATOR
INTERCONNECTION AGREEMENT (SGIA)**

(For Generating Facilities No Larger Than 20 MW)

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This Interconnection Agreement ("Agreement") is made and entered into this _____ day of _____, 20__, by _____ ("Transmission Provider"), and _____ ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

Transmission Provider Information

Transmission Provider: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

Interconnection Customer Information

Interconnection Customer: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

Interconnection Customer Application No: _____

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

- 1.1 This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.
- 1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Transmission Provider's Transmission System.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Transmission Provider.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between the Transmission Provider and the Interconnection Customer.

1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 The Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Provider and any Affected Systems.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Transmission Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Provider's Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.
- 1.5.6 The Transmission Provider shall coordinate with all Affected Systems to support the interconnection.
- 1.5.7 The Interconnection Customer shall ensure "frequency ride through" capability and "voltage ride through" capability of its Small Generating Facility. The Interconnection Customer shall enable these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Transmission Provider and any Affected Systems for

a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to section 2.1 of this agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The Small Generating Facility's protective equipment settings shall comply with the Transmission Provider's automatic load-shed program. The Transmission Provider shall review the protective equipment settings to confirm compliance with the automatic load-shed program. The term "ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Provider and any Affected Systems during system disturbances within a range of conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority on a comparable basis. The term "frequency ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Provider and any Affected Systems during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The term "voltage ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Provider and any Affected Systems during system disturbances within a range of under-voltage and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator(s) for the Transmission Provider's Transmission System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the Transmission Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power and Primary Frequency Response

1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all similarly situated synchronous generators in the control area on a comparable basis.

1.8.1.2 Non-Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all similarly situated non-synchronous generators in the control area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

1.8.2 The Transmission Provider is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when the Transmission Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 1.8.1. In addition, if the Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay the Interconnection Customer.

1.8.3 Payments shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced.

1.8.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Small Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Small Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Small Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Small Generating Facility’s real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Small Generating Facility’s real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the Transmission System, Interconnection Customer shall operate the Small Generating Facility consistent with the provisions specified in Sections 1.8.4.1 and 1.8.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities.

1.8.4.1 Governor or Equivalent Controls. Whenever the Small Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that

provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Small Generating Facility's governor or equivalent controls to a minimum whenever the Small Generating Facility is operated in parallel with the Transmission System.

- 1.8.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Small Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Small Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Small Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.
- 1.8.4.3 Exemptions. Small Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 1.8.4, 1.8.4.1, and 1.8.4.2 of this Agreement. Small Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 1.8.4, but shall be otherwise exempt

from the operating requirements in Sections 1.8.4, 1.8.4.1, 1.8.4.2, and 1.8.4.4 of this Agreement.

1.8.4.4 Electric Storage Resources. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Attachment 5 of its SGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 1.8.4, 1.8.4.1, 1.8.4.2 and 1.8.4.3 of this Agreement. Attachment 5 shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Attachment 5 must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 1.8.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Transmission Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Transmission Provider may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Transmission Provider a written test report when such testing and inspection is completed.

2.1.2 The Transmission Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Transmission Provider of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Transmission Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Transmission Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Transmission Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Transmission Provider's Transmission System without prior written authorization of the Transmission Provider. The Transmission Provider will provide such authorization once the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

2.3.1 Upon reasonable notice, the Transmission Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any

required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Transmission Provider at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Transmission Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Transmission Provider shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Transmission Provider 20 Business Days written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission Provider's Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this

SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.

3.3.4 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.5 The provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions -- "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, the Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Transmission Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Transmission Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the Transmission Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Transmission Provider's Transmission System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Transmission Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Transmission Provider's Transmission System when necessary for routine maintenance, construction, and repairs on the Transmission Provider's Transmission System. The Transmission Provider shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The Transmission Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection

Customer.

3.4.3 Forced Outages

During any forced outage, the Transmission Provider may suspend interconnection service to effect immediate repairs on the Transmission Provider's Transmission System. The Transmission Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Transmission Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Transmission Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Transmission Provider's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Transmission Provider may disconnect the Small Generating Facility. The Transmission Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Transmission Provider before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Transmission Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Transmission Provider's Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Transmission Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Transmission Provider.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Transmission Provider's Interconnection Facilities.

4.2 Distribution Upgrades

The Transmission Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Transmission Provider or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Transmission Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

5.2.1 Repayment of Amounts Advanced for Network Upgrades

The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Transmission Provider and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be paid to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Transmission Provider's Tariff and Affected

System's Tariff for transmission services with respect to the Small Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, the Interconnection Customer, the Transmission Provider, and any applicable Affected System operators may adopt any alternative payment schedule that is mutually agreeable so long as the Transmission Provider and said Affected System operators take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Transmission Provider or any applicable Affected System operators will continue to provide payments to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.

5.2.1.2 If the Small Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Transmission Provider and Affected System operator shall at that time reimburse the Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.

5.3 Special Provisions for Affected Systems

Unless the Transmission Provider provides, under this Agreement, for the repayment of amounts advanced to any applicable Affected System operators for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other

agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Small Generating Facility.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Transmission Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of the Transmission Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Transmission Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Transmission Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Transmission Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Transmission Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Transmission Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Transmission Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Transmission Provider, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Transmission Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Transmission Provider under this Agreement during its term. In addition:

6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Transmission Provider and must specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

7.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Transmission Provider of any such assignment;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Transmission Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Transmission Provider of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as

the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.

7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure

7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six

months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

- 8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Transmission Provider, except that the Interconnection Customer shall show proof of insurance to the Transmission Provider no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 8.2 The Transmission Provider agrees to maintain general liability insurance or self-insurance consistent with the Transmission Provider's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Transmission Provider's liabilities undertaken pursuant to this Agreement.
- 8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and

metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.

- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

- 9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

Article 10. Disputes

10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.

10.3 If the dispute has not been resolved within two Business Days after receipt of the Notice,

either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.

10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.

10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.

10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article 11. Taxes

11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.

11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties, or under article 12.12 of this Agreement.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware

and software is essential to ensure day-to-day reliability and operational security. FERC expects all Transmission Providers, market participants, and Interconnection Customers interconnected to electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the

Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national carrier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

If to the Transmission Provider:

Transmission Provider: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____

 Transmission Provider: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

If to the Transmission Provider:

Transmission Provider: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

Transmission Provider's Operating Representative:

Transmission Provider: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Transmission Provider

Name:

Title: _____

Date: _____

For the Interconnection Customer

Name:

Title: _____

Date: _____

Attachment 1**Glossary of Terms**

Affected System – An electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Business Day – Monday through Friday, excluding Federal Holidays.

Default – The failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.

Distribution System – The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Interconnection Provider, or any Affiliate thereof.

Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small

Glossary of Terms

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Generating Facility with the Transmission Provider's Transmission System.

Interconnection Facilities – The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection of the Small Generating Facility with the Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, control area, or the Transmission Provider's requirements, including those set forth in the Small Generator Interconnection Agreement.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider's Transmission System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Tariff – The Transmission Provider or Affected System's Tariff through which open access transmission service and Interconnection Service are offered, as filed with the FERC, and as

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amended or supplemented from time to time, or any successor tariff.

Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission System – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

Upgrades – The required additions and modifications to the Transmission Provider's Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

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Attachment 2

**Description and Costs of the Small Generating Facility,
Interconnection Facilities, and Metering Equipment**

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Transmission Provider, or the Transmission Owner. The Transmission Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

Attachment 3

**One-line Diagram Depicting the Small Generating Facility, Interconnection
Facilities, Metering Equipment, and Upgrades**

Milestones

In-Service Date:

Critical milestones and responsibility as agreed to by the Parties:

Milestone/Date	Responsible Party
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(0)	

Agreed to by:

For the Transmission Provider _____ Date _____

For the Transmission Owner (If Applicable) _____ Date _____

For the Interconnection Customer _____ Date _____

Attachment 5

**Additional Operating Requirements for the Transmission Provider's
Transmission System and Affected Systems Needed to Support
the Interconnection Customer's Needs**

The Transmission Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Transmission Provider's Transmission System.

Attachment 6

**Transmission Provider's Description of its Upgrades
and Best Estimate of Upgrade Costs**

The Transmission Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Transmission Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

ATTACHMENT S

Tariff Administrator

WAPA-RMR is the Tariff Administrator as that term is defined in Part 1, Section 1 of the Tariff.
WAPA-RMR is the Control Area Operator, the entity responsible for administering the Tariff, and
will administer the OASIS on which Basin Electric Power Cooperative's Transmission System is
included.

Summary of Differences Between Basin Electric's Tariff and the *Pro Forma* OATT

Section 1.1: The definition of Affiliate has been revised to reflect that the Commission does not consider a cooperative's members as Affiliates because "there is no potential danger of shifting benefits from the ratepayers to the shareholders."¹

Section 1.5: The definition of "Commission" has been revised to add FERC.

Section 1.6: A reference to a fee has been added to the definition of "Completed Application" because WAPA-RMR, the entity that currently administers Basin Electric's Tariff, assesses a processing fee for transmission requests, which an Eligible Customer is required to pay in lieu of a deposit, as per revised Section 17.3, described below.

Section 1.8: A reference to transmission capacity has been added to the definition of "Curtailement" because under the MBPP Agreement, firm or non-firm transmission service over Basin Electric's share of the facilities may be curtailed due to a transmission capacity shortage.

Section 1.12: A definition of "Eastern Interconnection" has been added as a new Section 1.12.

Section 1.13: A definition of "Effective Date" has been added as a new Section 1.13.

Section 1.16: A definition of "Federal Power Marketing Agency" has been added as a new Section 1.16. This definition is identical to the definition included in the SPP Tariff.

Section 1.26: A reference to new Sections 36 and 37 have been added to the definition of "Network Load." *See* the discussion of Sections 36 and 37, *infra*.

Section 1.33: A definition of "North American Electric Reliability Corporation" has been added as a new Section 1.33.

Section 1.37: This section has been revised to reflect new sections 36 and 37 in the definition of "Part III" of the Tariff.

Section 1.50: A definition of "Statutory Load Obligation" has been added as a new Section 1.50.

Section 1.53: A definition of "Tariff" has been added as a new Section 1.53.

Section 1.54: A definition of "Tariff Administrator" has been added as a new Section 1.54 because Basin Electric does not administer its own Tariff or OASIS. The definition of Tariff

¹ *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, FERC Stats. & Regs. ¶ 31,252 at 31,923, *order clarifying final rule*, 121 FERC ¶ 61,260 (2007), *order on reh'g*, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268 (2008), *order on clarification*, 124 FERC ¶ 61,055 (2008), *order on clarification*, Order No. 697-B, FERC Stats. & Regs. ¶ 31,285 (2008), *order on reh'g*, Order No. 697-C, FERC Stats. & Regs. ¶ 31,291 (2009), *order on reh'g and clarification*, Order No. 697-D, FERC Stats. & Regs. ¶ 31,305 (2010), *order on clarification*, 131 FERC ¶ 61,021 (2010) ("Order No. 697").

Administrator references a new Attachment S to the Tariff, which will identify the current Tariff Administrator. The Commission has previously accepted revisions to the *pro forma* OATT to accommodate the arrangement between the transmission provider and a tariff administrator. *See Sagebrush, a California Partnership*, 130 FERC ¶ 61,093, at P 27 (2010).

Section 1.56: The definition of “Transmission Customer” has been revised to refer to customers under Part II and Part III in Schedules 1-6, Schedule 9, and Attachment L.

Section 1.57: The definition of “Transmission Provider” has been revised to reference both Basin Electric and the Tariff Administrator.

Section 1.60: The definition of “Transmission System” has been modified to specify the transmission facilities that are covered by the Tariff. This provision is necessary because Basin Electric owns other, non-integrated transmission facilities that are not included under the Tariff.

Section 1.61: A definition of “Western Area Colorado Missouri (WACM)” has been added as a new Section 1.61.

Section 1.62: A definition of “Western Electricity Coordinating Council (WECC)” has been added as a new Section 1.62.

Section 1.63: A definition of “Western Interconnection” has been added as a new Section 1.63. The transmission facilities covered by the Tariff are all located in the Western Interconnection.

Section 2.1: Revised to refer to the newly defined term “Effective Date.”

Section 2.2: Replaced the bracketed language with a reference to the Effective Date of the Tariff.

Section 3: Revised to add a penalty provision. This provision is consistent with the penalty provision contained in Section 3 of the SPP Tariff. Southwest Power Pool, Inc. Open Access Transmission Tariff, Sixth Revised Volume No. 1, I. Common Service Provisions, Section 3 Ancillary Services. The Commission has previously accepted “penalty provisions as long as they are capped at a level equal to twice the standard rate for the service at issue.” *See Allegheny Power Systems, Inc.*, 80 FERC ¶ 61,143, at 61,545-46 (1997), *order on reh’g*, 85 FERC ¶ 61,235 (1998); *see also American Elec. Power Co.*, 85 FERC ¶ 61,201, at 61,824 (1998).

Section 4.1: Revised Section 4 so that it contains two subparts. Revised to refer to the newly defined term “Tariff.”

Section 4.2: Included a new Section 4.2 to incorporate by reference the current versions of the North American Energy Standards Board Wholesale Electric Quadrant Business Practice Standards incorporated by reference into the Commission’s regulations as specified in Part 38 of the Commission’s regulations (18 C.F.R. Part 38), in accordance with Order No. 676-H. *See Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-H, 148 FERC ¶ 61,205 (2014), *as modified, errata notice*, 149 FERC ¶ 61,014 (2014), *order on reh’g*, 151 FERC ¶ 61,046 (2015).

Section 12.3: This section has been revised to address WAPA-RMR's status as a Federal Power Marketing Agency as well as the fact that Basin Electric is also regulated by its board of directors. *See, e.g., Old Dominion Elec. Coop.*, Initial Decision, 151 FERC ¶ 63,002, at P 140 (2015), Opinion No. 553, 158 FERC ¶ 61,045, at PP 27-28, 50, 117 (2017), *order on reh'g and compliance*, Opinion No. 553-A, 162 FERC ¶ 61,262 (2018).

Section 13.3: Replaced the bracketed language with a reference to the Effective Date of the Tariff.

Section 13.4: Revised to ensure consistency between the treatment of Long-Term and Short-Term Firm Point-to-Point Transmission Service.

Section 13.6: Revised to add a penalty provision. This provision is consistent with the penalty provision contained in Section 13.6 of the SPP Tariff and Commission precedent. *See Southwest Power Pool, Inc. Open Access Transmission Tariff, Sixth Revised Volume No. 1, II. Point-to-Point Transmission Service, Section 13.6 Curtailment of Firm Transmission Service, and Allegheny Power Systems*, 80 FERC at 61,545-46. This section has also been revised to ensure consistency with defined terms.

Section 13.7: Revised to add a penalty provision. This provision is consistent with the penalty provision contained in Section 13.6 of the SPP Tariff and Commission precedent. *See Southwest Power Pool, Inc. Open Access Transmission Tariff, Sixth Revised Volume No. 1, II. Point-to-Point Transmission Service, Section 13.6 Curtailment of Firm Transmission Service, and Allegheny Power Systems*, 80 FERC at 61,545-46. This section has also been revised to ensure consistency with defined terms.

Section 13.8: A provision requiring schedules for transmission service to comply with North American Electric Reliability Corporation ("NERC") standards and policies has been added to the Tariff and bracketed language has been removed.

Section 13.9: Basin Electric has added a new section to the Tariff providing that the Tariff shall not adversely affect the rights of any entity that owns or operates any transmission facilities included within the Transmission System. This section is necessary because Basin Electric jointly owns several facilities, and the joint owners previously expressed concern that their rights to use their share of the facilities might be affected by the provision of open access service by Basin Electric. The Commission previously accepted this provision as part of Basin Electric's non-jurisdictional tariff because it "substantially conform[ed] with or [was] superior to the pro forma tariff." *Basin Elec. Power Coop.*, 102 FERC ¶ 61,253, at PP 14-15 (2003).

Section 14.1: Revised the capitalization of purchaser because it is not a defined term.

Section 14.3: Replaced the bracketed language with a reference to the Effective Date of the Tariff.

Section 14.5: Revised to add a penalty provision. This provision is consistent with the penalty provision contained in Section 14.5 of the SPP Tariff. The Commission will accept “penalty provisions as long as they are capped at a level equal to twice the standard rate for the service at issue.” *See Allegheny Power Systems*, 80 FERC at 61,545-46; *see also American Elec. Power Co.*, 85 FERC at 61,824.

Section 14.6: A provision requiring schedules for transmission service to comply with NERC standards and policies has been added to the Tariff and bracketed language has been removed.

Section 14.7: Revised to add a penalty provision. This provision is consistent with the penalty provision contained in Section 14.7 of the SPP Tariff and Commission precedent. *See Southwest Power Pool, Inc. Open Access Transmission Tariff, Sixth Revised Volume No. 1, II. Point-to-Point Transmission Service, Section 14.7 Curtailment or Interruption of Service*, and *Allegheny Power Systems*, 80 FERC at 61,545-46. This section has also been revised to ensure consistency with defined terms.

Section 14.8: A provision for commonly-owned facilities has been added for the reasons explained above in the discussion of Section 13.9.

Section 15.7: Revised to state that the loss provisions are included in Attachment M to the Tariff.

Section 16.1(c): The section as contained in the *pro forma* OATT requires only that there be a complete path from the source to the Transmission Provider. Basin Electric has modified this section to require a complete path from the source to the sink. This modification is consistent with the Commission's decision in *New York State Electric and Gas Corp.*, 78 FERC ¶ 61,114, at 61,441 (1997), *reh'g denied*, 82 FERC ¶ 61,209 (1998), where the Commission found that in instances where “the systems of several transmission providers are needed to complete a single transaction,” it is reasonable to require “arrangements with *all* the third-party transmission providers involved in the transaction, both those that provide transmission service *prior* to . . . and . . . *after* [the transmission provider].”

Section 17.1: Basin Electric is identified as the entity to whom long-term requests for service should be submitted because Basin Electric will evaluate those requests. Further, the provision for the use of alternative means of reserving transmission has been removed because Basin Electric's Transmission System is already included on the OASIS operated by WAPA-RMR.

Section 17.2: Provisions for the inclusion in the Application of the customer's NERC compliance registry identification number and the identity of the customer's accounts payable personnel have been added. Similar provisions were approved by the Commission in *Dayton Power and Light Co.*, 82 FERC ¶ 61,143, at 61,527-28 (1998).

Section 17.3: This section has been modified to eliminate the deposit requirement. Basin Electric has concluded that if the customer meets the creditworthiness requirements set out in Attachment L, it does not need a deposit to ensure repayment of amounts owed by the transmission customer. Elimination of the deposit requirement reduces the financial burden on the customer and reduces the administrative burden on Basin Electric. In lieu of the deposit requirement, Basin Electric has

added a provision for the customer to pay the processing fee that is established in WAPA-RMR's tariff since WAPA-RMR will administer the Tariff. The Commission-approved waiver of the deposit requirements for customers that meet creditworthiness requirements in *Commonwealth Edison Co. and Commonwealth Edison Co. of Indiana, Inc.*, 80 FERC ¶ 61,353, at 62,209-10 (1997).

Section 17.4: The reference to a deposit has been deleted since no deposit will be collected, as per the revision to Section 17.3.

Section 17.6: The reference to a deposit has been deleted since no deposit will be collected, as per the revision to Section 17.3

Section 17.7: Revised reference to Firm Transmission Service to ensure consistent use of defined term "Firm Point-To-Point Transmission Service."

Section 18.1: The same modifications to the OASIS provisions that were discussed in connection with Section 17.1 have been made in this section.

Section 18.2: The NERC compliance registry identification number and accounts payable personnel have been added to the application requirements, as discussed in connection with Section 17.2, above.

Section 18.3: Bracketed language has been removed.

Section 18.4: Bracketed language has been removed.

Section 19.1: The reference to a deposit has been deleted since no deposit will be collected, as per the revision to Section 17.3, and the capitalization of Curtailment has been revised consistent with the defined term.

Section 19.3: Revised to ensure consistency with defined terms, for consistency with other sections requiring the provision of materials to an Eligible Customer, and to require the request to file an unexecuted Service Agreement be made in writing.

Section 19.4: The reference to a deposit has been deleted since no deposit will be collected, as per the revision to Section 17.3. This section also has been revised to require the request to file an unexecuted Service Agreement be made in writing.

Section 22.1: Reference to filing an Application has been revised to clarify that Applications are submitted to the Transmission Provider and are not filed with the Commission.

Section 22.2: The reference to a deposit has been replaced with a reference to a processing fee, consistent with the discussion of Section 17.3.

Section 24.1: Provisions for the customer to inspect its metering equipment and for the adjustment of inaccurate meters have been added. The Commission determined that a

comparable provision, requiring customers to inspect and adjust inaccurate equipment at their own expense, was consistent with or superior to the pro forma tariff in *New York State Electric and Gas Corp.*, 78 FERC at 61,442.

Section 28.5: Revised to state that the loss provisions are included in Attachment M to the Tariff.

Section 28.6: Revised to include a reference to the penalty provision added to Section 13.7. This provision is consistent with the penalty provision contained in Section 28.6 of the SPP Tariff.

Section 29.2: The provision for the use of alternative means of reserving transmission has been removed, consistent with the discussion of Section 17.1, above because Basin Electric's Transmission System is already included on the OASIS operated by WAPA-RMR. Further, this section has been modified to allow for waiver of the deposit and add a provision for payment of the costs incurred in connection with review of the customer's application. This section is consistent with provisions that the Commission approved in *Commonwealth Edison Co.*, 80 FERC at 62,209-10. The NERC compliance registry identification number and accounts payable personnel have been added to the application requirements, as discussed in connection with Section 17.2, above.

Section 30.2: Revised to make ministerial edits.

Section 30.4: Revised to include a reference to the penalty provision added to Section 13.7. This provision is consistent with the penalty provision contained in Section 30.4 of the SPP Tariff.

Section 30.8: Revised to ensure consistency with defined terms.

Section 30.9: Because Basin Electric was not subject to Commission's jurisdiction until the effective date of this Tariff, Basin Electric proposes to replace the bracketed language (the May 14, 2007 effective date of Order No. 890) with the date on which Basin Electric becomes subject to the Commission's jurisdiction. The Commission has previously established effective dates that are contingent on the occurrence of a future event. *See, e.g., Pataula Electric Membership Corp.*, 111 FERC ¶ 61,123, at 61,678 (2005); *Midcontinent Indep. Sys. Operator, Inc.*, 149 FERC ¶ 61,282, at P 60 (2014); *FirstEnergy Solutions Corp.*, 166 FERC ¶ 61,063, at PP 4, 8 (2019); *The City of Alexandria, La.*, 160 FERC ¶ 62,256, at P 15 (2017). Basin Electric also added detail concerning the availability of billing credits. This change is consistent with Section 30.9 of the SPP Tariff. Southwest Power Pool, Inc. Open Access Transmission Tariff, Sixth Revised Volume No. 1, III. Network Integration Transmission Service, Section 30.9 Network Customer Owned Transmission Facilities.

Section 31.3: A reference to new Sections 36 and 37 has been added to the designation of off-system Network Loads. *See* the discussion of Sections 36 and 37, *infra*.

Section 31.6: Revised to reflect revisions to Section 29.2.

Section 32.3: Revised for consistency with other sections requiring the provision of materials to an Eligible Customer and to require the request to file an unexecuted Service Agreement be made in writing.

Section 32.4: This section also has been revised to require the request to file an unexecuted Service Agreement be made in writing.

Section 33.4: Revised to ensure consistency with defined terms.

Section 33.5: Revised to ensure consistency with defined terms.

Section 33.7: The section has been modified to provide that the Transmission Provider may curtail transactions in response to NERC directives or directives of the applicable reliability coordinator. *See, e.g., Midwest Indep. Trans. Sys. Operator, Inc.*, 109 FERC ¶ 61,285, at PP 141-142, 145 (2004). Revised to add a penalty provision. This provision is consistent with the penalty provision contained in Section 33.7 of the SPP Tariff and Commission precedent. *See Southwest Power Pool, Inc. Open Access Transmission Tariff, Sixth Revised Volume No. 1, III. Network Integration Transmission Service, Section 33.7 System Reliability, and Allegheny Power Systems*, 80 FERC at 61,545-46. Finally, this section has been revised to ensure consistency with defined terms.

Section 34.1: Revised to reference Attachment H.

Section 34.6: A provision for the customer to pay any additional tax associated with the provision of service has been added to ensure that Basin Electric recovers all of its transaction costs. The Commission has approved a similar provision in *PJM Interconnection, L.L.C.*, 109 FERC ¶ 61,302, at P 23 (2004).

Section 35.2: Revised to reflect new definition of NERC.

Section 36: A new provision describing co-supply arrangements with Federal Power Marketing Agencies. This section is consistent with Section 39.3(d) of the SPP Tariff. *See Southwest Power Pool, Inc. Open Access Transmission Tariff, Sixth Revised Volume No. 1, IV. Special Rules on Use of Tariff, Applicability of Non-Rate Terms and Conditions, Section 39.3(d) Western-UGP Co-Supply Arrangement; see also Southwest Power Pool, Inc.*, 149 FERC ¶ 61,113, at P 59 (2014), *order on reh'g and clarification*, 153 FERC ¶ 61,051 (2015); *see also Duke Power Co.*, 81 FERC ¶ 61,010, at 61,047, *reh'g denied*, 81 FERC ¶ 61,312 (1997).

Section 37: A new provision describing the use of Direct Current (DC) Ties has been added. This makes the Network Customer's Network Load at the delivery point and Network Resource at the receipt point equivalent to the customer's Reserved Capacity over the DC Tie because the load served at the discrete delivery or receipt point is physically limited by the DC Tie, and the Transmission Provider does not have a parallel Alternating Current (AC) transmission path to that delivery or receipt point. This section is consistent with service agreements under the SPP Tariff. *See Southwest Power Pool, Inc., Basin Electric Power Cooperative Network Integration Transmission Service Agreement and Network Operating Agreement*, Docket No. ER16-241-

000, *et seq.* (filed Nov. 2, 2015). Further, because of additional unique operational characteristics of DC Ties (*e.g.*, deadbands) and their limited capacity, it is appropriate to limit the Network Load at the DC Tie terminal to the Network Customer's reserved capacity across that DC Tie. Similarly, it is appropriate to limit the amount of the Network Resources located in the other interconnection to the Network Customer's reserved capacity over the DC Tie. This provision is necessary to enable Basin Electric to avoid charging customers for network service in amounts greater than they are able to obtain over the DC Tie used to serve their load.

Schedules 1-6, 9: Basin Electric is not the Control Area operator, and therefore cannot directly supply any of the ancillary services. Consequently, each of the schedules has been modified to state that the Control Area operator is WACM and that the customer must purchase the ancillary service directly from the Control Area operator or indirectly from Basin Electric. These provisions are similar to the provisions included in the tariff of Montaup Electric Company, Rate Schedule No. 7, Docket No. ER99-2469-000 (filed Apr. 13, 1999), accepted by Letter Order on August 2, 1999. Basin Electric has retained the provisions for the customer to make its own arrangements for Schedules 3 through 6 and Schedule 9, consistent with Order Nos. 888 and 890.

Schedules 7 and 8: Revised to reflect rates.

Attachment A: The reference to a deposit has been replaced with a reference to a processing fee, consistent with the discussion of Section 17.3. A provision for the customer to pay any additional tax associated with the provision of service has been added, consistent with Section 34.6. A provision has also been added that requires the calculation of charges for Firm Point-To-Point Transmission Service in accordance with Schedule 7. Attachment A has also been revised to account for the possibility that Basin Electric's entitlement share in the MBPP transmission capacity may increase or decrease. Basin Electric has added a provision to Attachment A providing the terms for potential reductions and/or increases in transmission service reservations.

Attachment A-1: Attachment A-1 has been revised to account for the possibility that Basin Electric's entitlement share in the MBPP transmission capacity may increase or decrease. Basin Electric has added a provision to Attachment A providing the terms for potential reductions and/or increases in transmission service reservations.

Attachment B: A provision has been added that requires the calculation of charges for Firm Point-To-Point Transmission Service in accordance with Schedule 8. Attachment B has also been revised to account for the possibility that Basin Electric's entitlement share in the MBPP transmission capacity may increase or decrease. Basin Electric has added a provision to Attachment A providing the terms for potential reductions and/or increases in transmission service reservations.

Attachment C: Revised to include ATC methodology.

Attachment D: Revised to include a System Impact Study methodology.

Attachment E: Revised to include a list of Point-To-Point Transmission Service customers.

Attachment F: Revised to include a standard Service Agreement for Network Integration Transmission Service.

Attachment G: Revised to include a standard Network Operating Agreement.

Attachment H: Revised to include Basin Electric's stated ATRR.

Attachment I: Revised to include a list of Network Integration Transmission Service customers.

Attachment J: Revised to include procedures for addressing parallel flows.

Attachment K: Revised to describe Basin Electric's local planning process.

Attachment L: Revised to describe Basin Electric's creditworthiness procedures.

Attachment M: New attachment to describe the assessment of real power losses.

Attachment N: New attachment to describe the application processing fee.

Attachment O: New attachment to describe the Large Generator Interconnection Procedures ("LGIP") and Application process.

The following is a list of differences between Basin Electric's proposed LGIP and the *pro forma* LGIP that are not included in Tri-State's proposed LGIP. *See* Tri-State Generation and Transmission Association, Inc., Compliance Filing for Order No. 845 Reform of Generator Interconnection Procedures and Agreements, Docket No. ER19-2470-000 (filed July 26, 2019).

Section 1. Definitions:

Affiliate: The definition of Affiliate has been revised to reflect that the Commission does not consider a cooperative's members as Affiliates because "there is no potential danger of shifting benefits from the ratepayers to the shareholders."²

Contingent Facilities: Basin Electric revised the definition of "Contingent Facilities" to replace "planned upgrade" with "planned Interconnection Facilities and Network Upgrades." The purpose of this revision is to clarify that both unbuilt and planned Interconnection Facilities and Network Upgrades may be considered Contingent Facilities.

NERC – Revised to reflect current name of NERC.

² Order No. 697 at 31,923.

The following is a list of differences between Basin Electric's proposed LGIP and Tri-State's proposed LGIP:

Section 3.3: Basin Electric did not include the following language that Tri-State added to the *pro forma* LGIP regarding the utilization of surplus interconnection service: "surplus interconnection service requested must be less than or equal to the amount of surplus interconnection service made available for the interconnection Customer with an effective GIA or LGIA and cannot exceed the total Interconnection Service already provided by the original Interconnection Customer's GIA or LGIA," and "Surplus Interconnection Service is only available up to the amount that can be accommodated without requiring additional Network Upgrades."

Section 3.5: Basin Electric did not adopt Tri-State's change to the title of this section.

Section 3.5.2: Basin Electric did not make the change from "on" to "in" in the following statement: "Transmission will maintain on its OASIS."

Section 4.4.6: Basin Electric modified the number of days provided to complete assessment and additional studies for consistency with the number of days included in parenthesis.

Section 5.1.1.2: Basin Electric did not adopt Tri-State's proposed treatment of Interconnection Customers in deferral because Basin Electric does not have deferred Interconnection Requests in the generation interconnection queue.

Section 7.3: Basin Electric did not change the capitalization of Interconnection Facilities.

Attachment A to Appendix 1: Basin Electric did not adopt Tri-State's removal of the reference to other compatible formats, such as IEEE and PTI power flow models.

Attachment B to Appendix 4: Basin Electric did not adopt Tri-State's deletion of the word "diagram" from "one-line diagram." Basin Electric also did not adopt Tri-State's removal of information regarding the line length from interconnection station to Transmission Provider's transmission line.

Appendix 6: Basin Electric has not included the LGIA as Appendix 6 to the LGIP, but rather includes it as a separate Attachment to its Tariff.

Attachment P: New attachment to include the Large Generator Interconnection Agreement ("LGIA").

The following is a list of differences between Basin Electric's proposed LGIA and the *pro forma* LGIA that are not included in Tri-State's proposed LGIA.

Article 1, Definitions:

Affiliate: The definition of Affiliate has been revised to reflect that the Commission does not consider a cooperative's members as Affiliates because "there is no potential danger of shifting benefits from the ratepayers to the shareholders."³

Contingent Facilities: Added definition, which includes Basin Electric's revisions to the *pro forma* LGIP definition of "Contingent Facilities," consistent with the revised definition in the LGIP, described above.

NERC: Revised to reflect current name of NERC.

Attachment Q: New attachment to include the Small Generator Interconnection Procedures and Application process.

Attachment R: New attachment to include the Small Generator Interconnection Agreement.

Attachment S: New attachment to identify WAPA-RMR as the Tariff Administrator because WAPA-RMR is the control area operator, the entity responsible for administering the Tariff, and will administer the OASIS on which Basin Electric's facilities that are subject to the Tariff are included.

³ Order No. 697 at 31,923.

Basin Electric Power Cooperative Statement BL – Rate Design Information

I. INTRODUCTION

Basin Electric Power Cooperative (“Basin Electric”) currently provides service over Basin Electric’s entitlement share of the Missouri Basin Power Project transmission facilities (“MBPP”) located in the Western Interconnection (“MBPP-West”) based on a wholesale stated cost-of-service rate adopted in 2003 and approved by Basin Electric’s Board of Directors. Basin Electric’s Annual Transmission Revenue Requirement (“ATRR”) is \$6,548,163.00, which was calculated using data reported on Basin Electric’s Rural Utilities Services (“RUS”) Form 12 for the 12 months ending December 31, 2002, provided herewith as Attachment H. This Statement BL describes the derivation of Basin Electric’s ATRR and resulting rates. Supporting calculations are provided on Attachment G.

II. INFORMATION REQUIRED BY STATEMENT BL

A. NARRATIVE STATEMENT DESCRIBING AND JUSTIFYING THE OBJECTIVES OF THE DESIGN OF THE RATE AND HOW THE OBJECTIVES OF BASIN ELECTRIC’S RATE DESIGN ARE ACHIEVED

Basin Electric’s cost-based stated rate is intended to recover Basin Electric’s cost of service plus a margin. Basin Electric’s MBPP-West ATRR is calculated based on its gross revenue requirement less revenue credits, including hourly non-firm transmission sales recorded in Account No. 456 and revenues received from third parties. *See* Attachment G, tab 1, page 1, line 7. Basin Electric derives its gross revenue requirement from its total operating expenses, including transmission-related Operations and Maintenance (“O&M”) expenses and Administrative and General (“A&G”) expenses, debt service, and taxes other than income taxes. Including these components in the calculation of Basin Electric’s ATRR allows it to fully recover the cost of providing service over MBPP-West, in accordance with the objective of the rate. In lieu of a rate of return, Basin Electric recovers a margin.

B. EXPLANATION OF THE METHOD USED IN ARRIVING AT THE COST OF SERVICE AND DERIVATION OF BASIN ELECTRIC’S ATRR

Statement BL requires “a complete explanation as to the method used in arriving at the cost of service allocated to the sales and service for which the rate or charge is proposed.”¹ Basin Electric outlines the method used in deriving Basin Electric’s ATRR and wholesale transmission rate for MBPP-West, below.

1. Plant Included in Revenue Requirement

Basin Electric’s plant in service consists of lines, substations, microwave facilities and maintenance buildings. Facilities that are not included in the ATRR are non-high voltage

¹ *See* 18 C.F.R. § 35.12(b)(5); *see also* 18 C.F.R. § 35.13(h)(37).

facilities, directly assigned facilities, tap lines, and post-1998 generator step-up facilities. Basin Electric determines its net plant in service by deducting accumulated depreciation from gross plant in service. Basin Electric then calculates its transmission net plant in service and MBPP-West net plant in service. *See* Attachment G, tab 1, page 2.

a. Net Plant In Service

Basin Electric's gross plant values come from RUS Form 12h, Section A. Utility Plant. *See* Attachment H at 21. Basin Electric's gross plant is classified as production, transmission, general plant, or intangible assets. Calculation of Basin Electric's gross plant is also reflected on Attachment G, tab 1.

Production plant is reflected on RUS Form 12h, Section A. Utility Plant, line 6, column (e), and is the total of plant balances from the following accounts: (1) Accounts 310-316, Total Steam Production Plant, and (2) Accounts 340 through 346, Total Other Production Plant. *See* Attachment H at 21.

Basin Electric's transmission plant balances are from RUS Form 12h, Section A. Utility Plant, line 11, column (e), and consist of plant balances from the following accounts: (1) Account 350, Land and Land Rights; (2) Account 352, Structures and Improvements; (3) Account 353, Station Equipment; and (4) Accounts 354 through 359.1, Other Transmission Plant. *See* Attachment H at 21. Microwave channels associated with transmission and the transmission building facilities are classified as general plant but are included as transmission when calculating the revenue requirement. Further, the total amount for the RUS 350 series of accounts is \$1,199,738 greater than line 11 on the RUS Form 12h due to a prior property tax adjustment made to Basin Electric's fixed asset system. *Compare* Attachment G, tab 1, page 2, line 2, *with* Attachment H at 21, RUS Form 12h, Section A. Utility Plant, line 11, column (e).

Basin Electric's general plant balances are shown on RUS Form 12h, Section A. Utility Plant, line 17, column (e), and consist of plant balances for Accounts 389 through 399, Total General Plant. *See* Attachment H at 21. There are certain transmission facilities with general plant amounts included in their plant balances. These general plant amounts (RUS 389-399) are deducted from the total general plant amount before allocating general plant. Only the microwave channels that are associated with transmission are included in transmission, and the remainder of the costs associated with microwave channels stays in general plant.

Basin Electric's intangible plant assets are shown on RUS Form 12h, Section A. Utility Plant, line 1, which reflects plant balances from Accounts 301 through 303, Total Intangible Plant. *See* Attachment H at 21.

Basin Electric's total gross plant is the sum of the total for each type of plant. General plant and intangible assets are either directly assigned to transmission, allocated, or excluded. Only the transmission facilities that meet FERC's seven-factor test are included in the calculation of the transmission rate. Basin Electric's total gross plant is \$2,251,855,342. *See* Attachment G, tab 1, page 2, line 6.

Basin Electric determines its total accumulated depreciation by summing the accumulated depreciation related to production, transmission, general plant, and intangible assets. These amounts come from Basin Electric's RUS Form 12h, Section B. *See* Attachment H at 22. Basin Electric's total accumulated depreciation is \$1,058,618,941, as reflected on Attachment G, tab 1, page 2, line 12; *see also* Attachment I at tab 2.

Basin Electric's total net plant is its total gross plant less accumulated depreciation, resulting in total net plant of \$1,193,236,400. *See* Attachment G, tab 1, page 2, line 18.

b. Transmission Net Plant In Service

Basin Electric's transmission net plant in service is its gross transmission plant in service less accumulated depreciation. Gross transmission plant in service is calculated by summing transmission plant, general plant (including transmission directly-assigned facilities and an allocated portion of other general plant), and intangible plant related to the transmission function. Basin Electric determines the portion of its other general plant in service allocable to transmission by applying a wages and salary allocator, derivation of which is described in detail, below. Basin Electric's total transmission gross plant is \$489,958,084, as shown on Attachment G, tab 1, page 2, line 6.

Basin Electric calculates accumulated depreciation for its transmission plant in the same manner as gross plant. Basin Electric's total accumulated depreciation for transmission plant is \$228,402,846, as shown on Attachment G, tab 1, page 2, line 12.

Basin Electric's transmission net plant in service is its transmission gross plant less accumulated depreciation. Basin Electric's net plant in service for its transmission function is \$261,555,237. *See* Attachment G, tab 1, page 2, line 18.

c. MBPP-West Net Plant In Service

Basin Electric calculates MBPP-West gross plant in service by adding MBPP-West transmission plant in service, directly-assigned MBPP-West plant, an allocated portion of other general plant, and MBPP-West intangible plant. A list of Basin Electric's MBPP-West transmission plant, general plant, and intangible plant is included on Attachment G, tab 4. Total MBPP-West gross plant is \$97,722,954. *See id.*, tab 1, page 2, line 6.

Accumulated depreciation for MBPP-West facilities is shown on Attachment G, tab 4. Basin Electric's total accumulated depreciation for MBPP-West includes \$40,750,314 of transmission-related accumulated depreciation. This amount includes an adjustment due to the life extension of certain Basin Electric assets, which was approved by the RUS in December 2002. Specifically, Basin Electric's transmission-related accumulated depreciation for MBPP-West is the total of accumulated depreciation for MBPP-West lines and substations, less accumulated depreciation related to the RUS 390 series of accounts, less the general ledger accumulated depreciation adjustment resulting from the extended life of certain Basin Electric assets, resulting in transmission-related accumulated depreciation of \$40,750,314. *See id.*, tab 1, page 2, line 8. Basin Electric's total accumulated depreciation for MBPP-West is \$45,281,995. *See id.*, tab 1,

page 2, line 12. Net plant in service for the MBPP facilities is \$52,440,959, which is calculated by removing accumulated depreciation from gross plant in service. *See id.*, tab 1, page 2, line 18.

2. Allocation Factors

Basin Electric's ATRR calculation uses multiple allocation factors for allocating its expenses from total company to total transmission to MBPP-West. These allocators include net plant allocators, gross plant allocators, and wages and salary allocators. Derivation of the allocators is described below.

a. Gross Plant Allocators

Basin Electric uses two gross plant allocators: (1) gross plant allocator A ("GP-A"), which is used to allocate costs between total company and transmission, and (2) gross plant allocator B ("GP-B"), which is used to determine the portion of costs related to MBPP-West.

GP-A is the ratio of total transmission gross plant to total company gross plant. The calculation results in a gross plant allocator of 21.758%. *See Attachment G*, tab 1, page 2, line 6a.

GP-B is the ratio of total MBPP-West gross plant to total company gross plant. The calculation results in a gross plant allocator of 4.340%. *See Attachment G*, tab 1, page 2, line 6a.

GP-A and GP-B are used to allocate property taxes. Basin Electric also calculates an allocator labelled "TPGP," but this allocator is not used within the rate calculation. *See Attachment G*, tab 1, page 2, line 6b.

b. Net Plant Allocators

Basin Electric uses two net plant allocators: (1) net plant allocator A ("NP-A"), which is used to allocate costs from total company to transmission, and (2) net plant allocator B ("NP-B"), which is used to allocate costs from total company to MBPP-West.

NP-A is the ratio of total transmission net plant to total company net plant. The calculation results in a net plant allocator of 21.920%. *See Attachment G*, tab 1, page 2, line 19.

NP-B is the ratio of total MBPP-West net plant to total company net plant. The calculation results in a net plant allocator of 4.395%. *See Attachment G*, tab 1, page 2, line 19.

The net plant allocators are used to allocate interest expense, principal payments and the margin.

c. Wages and Salary Allocators

Basin Electric uses three wages and salary allocators – one allocator to determine transmission costs and two allocators to determine MBPP-West costs.

To calculate the wages and salary allocators, Basin Electric uses wages and salaries data from 2002. Basin Electric's total wages and salaries include wages and salaries for: (1) production; (2)

transmission located in the Eastern Interconnection (“Transmission-East”); (3) transmission located in the Western Interconnection (“Transmission-West”); and (4) Transmission-Allocated. The total wages and salaries exclude administrative salaries and wages. Basin Electric’s total wages and salaries are \$30,793,063. *See* Attachment G, tab 1, page 4, line 7.

Basin Electric calculates the wages and salary allocator used to allocate costs to the transmission function (the “WS Allocator”) by taking the ratio of transmission-related wages and salaries (Transmission-East, Transmission-West, and Transmission-Allocated) to the total company wages and salaries. *See* Attachment G, tab 1, page 4, line 7. Basin Electric’s WS Allocator is 10.360%. This allocator is used to allocate other general gross plant in service, other general accumulated depreciation, A&G expenses associated with Basin Electric’s Headquarters, and debt amortization of debt discount associated with Basin Electric’s Headquarters.

As explained above, Basin Electric uses two wages and salary allocators to allocate costs to MBPP-West: (1) a wages and salary allocator (the “WS-MBPP Allocator”), and (2) the Transmission Plant Wage and Salary Allocator (the “TPWS Allocator”).

Basin Electric’s WS-MBPP Allocator is the ratio of Basin Electric’s Transmission-West wages and salaries to its total company wages and salaries. *See* Attachment G at tab 1, page 4, line 7. Basin Electric’s WS-MBPP Allocator is 0.925%. This allocator is used to allocate other general gross plant in service, other general accumulated depreciation, A&G expenses associated with Basin Electric’s Headquarters, and amortization of debt discount associated with Basin Electric’s Headquarters.

Basin Electric calculates the TPWS Allocator by taking the ratio of Basin Electric’s Transmission-West wages and salaries to the total transmission wages and salaries (Transmission-West, Transmission-East, and Transmission-Allocated). *See* Attachment G at tab 1, page 4, line 8. Basin Electric’s TPWS Allocator is 8.926%. This allocator is used to allocate other transmission O&M and the amortization of debt discount associated with Basin Electric’s headquarters.

3. Operating Expenses

Basin Electric’s gross revenue requirement is derived from its total operating expenses, including transmission-related O&M expenses and A&G expenses, debt service, and taxes other than income taxes. Only those costs allocated to MBPP-West are included in Basin Electric’s ATRR under the Tariff.

Basin Electric’s total company operating expenses are \$192,336,712. The operating expenses allocated to MBPP-West and included in Basin Electric’s ATRR are \$7,409,859. *See* Attachment G, tab 1, page 3, line 26.

a. Transmission Operations and Maintenance Expense

Basin Electric’s transmission O&M costs are recorded in RUS Form 12a, Section A. Statement of Operations, line 8, column (b), Operating Expense – Transmission and line 16, column (b), Maintenance Expense – Transmission (*see* Attachment H at 1), with a breakdown by account

shown on RUS Form 12i – Lines and Stations, Section A. Expense and Costs (*see* Attachment H at 33). Basin Electric includes in its total operating expenses O&M associated with transmission. Basin Electric’s O&M expenses include transmission operation expenses and transmission maintenance expenses.

Basin Electric’s transmission operation expenses include the expenses recorded in the following RUS accounts for lines and stations: (1) Account 560, supervision and engineering; (2) Account 561, load dispatching; (3) Account 562, station expenses; (4) Account 563, overhead line expenses; (5) Account 564, underground line expenses; (6) Account 566, miscellaneous expenses; and (7) Account 567, rents. Basin Electric does not include \$13,055,042 in expenses recorded in Account 565, Transmission of electricity by others. *See* Attachment H at 33, RUS Form 12i, line 8, column (a).

Basin Electric’s transmission maintenance expenses include the expenses recorded in the following RUS accounts for lines and stations: (1) Account 568, supervision and engineering; (2) Account 569, structures; (3) Account 570, station equipment; (4) Account 571, overhead lines; (5) Account 572, underground lines; and (6) Account 573, miscellaneous transmission plant. *See* Attachment H at 33, RUS Form 12i, line 17, column (a) and (b).

Basin Electric’s transmission O&M costs total to \$11,165,870. Basin Electric uses the TPWS Allocator to determine the level of transmission O&M expenses allocated to MBPP-West. Applying the TPWS Allocator results in an allocation of \$996,699 to MBPP-West, which is included in Basin Electric’s ATRR.

b. Administrative and General Expense

Basin Electric’s A&G expenses are based on the information reported on RUS Form 12a, Section A. Statement of Operations, line 13, column (b), Operating Expense - Administrative & General. *See* Attachment H at 1. Basin Electric’s A&G costs are recorded in RUS Account 920, Administrative and General Salaries, Account 930.1, General Advertising Expenses, and Account 930.2, Miscellaneous General Expenses. A breakdown of the costs included in these accounts is provided in Attachment I, tab 6. Basin Electric includes in its total operating expenses A&G associated with production, transmission, and headquarters. Basin Electric’s A&G expenses are functionalized to production and transmission by first identifying those administrative costs directly assigned to generation and transmission and those remaining in the headquarters facilities.

Basin Electric’s transmission-related A&G expenses are charged 100% to the transmission function. The level of transmission-related A&G expenses for MBPP-West is not allocated. Instead, these expenses are directly assigned to MBPP-West using reported MBPP project billings, based on data included in Basin Electric’s accounting records. Basin Electric has directly assigned \$103,734 of transmission A&G expenses to MBPP-West. *See* Attachment G, tab 1, page 3, line 6.

Basin Electric uses the WS-MBPP Allocator to determine the level of A&G headquarters expenses allocable to MBPP-West. Applying the WS-MBPP Allocator results in an allocation of \$243,079 of headquarters expenses to MBPP-West. *See* Attachment G, tab 1, page 3, line 7.

Together, Basin Electric includes \$346,813 of A&G expenses in its ATRR (*see* Attachment G, tab 1, page 3, lines 6 and 7), for a total of \$1,343,512 of O&M and A&G expenses. *See* Attachment G, tab 1, page 3, line 9.

c. Debt Service

Basin Electric's debt service includes long-term debt interest expense, long-term debt principal payments, amortization of debt discount, and other deductions. While Basin Electric's rate calculation includes a placeholder for other deductions, there are no expenses related to other deductions included in Basin Electric's ATRR. Basin Electric's total company debt service expense is \$138,782,263. *See* Attachment G, tab 1, page 3, line 17. The debt service expense allocated to MBPP-West and included in Basin Electric's ATRR is \$6,028,126. *See* Attachment G, tab 1, page 3, line 17. The components of Basin Electric's debt service are described below.

i. Long-Term Debt Interest Expense

Long-term debt interest expense for Basin Electric's ATRR comes from RUS Form 12a – Section A. Statement of Operations, line 22, Interest on Long-Term Debt, column (b). *See* Attachment H at 1. The long-term debt interest expense allocated to MBPP-West is calculated by applying the NP-B Allocator to the total company long-term debt interest expense. Based on this calculation, Basin Electric allocates to MBPP-West and includes in its ATRR \$2,490,229 of long-term debt interest expenses. *See* Attachment G, tab 1, page 3, line 10.

ii. Long-Term Debt Principal Payments

Basin Electric uses debt service payments in calculating its ATRR rather than depreciation. The amount of debt service principal payments made is included in RUS Form 12h, Section H. Long-Term Debt and Debt Service Requirements, column (c), Principal. *See* Attachment H at 30. The MBPP-West long-term debt principal payments are calculated by applying the NP-B Allocator to the total company principal payments. Based on this calculation, Basin Electric allocates to MBPP-West and includes in the ATRR \$3,463,021 of long-term debt principal payments. *See* Attachment G, tab 1, page 3, line 11.

iii. Discounts and Other Deductions

Amortization of debt discounts and other deductions data is included in RUS Form 12a, Section A. Statement of Operations, line 25, column (b), Other Deductions. *See* Attachment H at 1. This line includes RUS Accounts 411, 425, 426, 428, and 430, for a total of \$5,193,660. However, Basin Electric includes only the amounts from Account 428, debt discount, resulting in total company amortization of debt discounts of \$3,322,583. Amortization of debt discount is classified between transmission, headquarters, and production. The details of this classification are found in Attachment I, tab 7.

Basin Electric calculates the level of transmission amortization of debt discount applicable to MBPP-West by applying the TPWS allocator to a portion of the total company transmission amortization of debt discount. Basin Electric's total company transmission amortization of debt discount includes \$832,683.49 allocable across all transmission (*see* Attachment I, tab 7, line 33) plus \$9,703.74 in directly assigned transmission-related amortization of debt discount (*see id.*, tab 7 at line 28, labelled "Amortize Debt Discount-Groton"). When determining the amount allocable to MBPP-West, Basin Electric applied the TPWS allocator to only the \$832,683.49 in transmission-related debt discount that cannot be directly assigned. Based on this calculation, Basin Electric allocates and includes in the ATRR \$74,328 of long-term debt principal payments. *See* Attachment G, tab 1, page 3, line 13.

Basin Electric allocates the amortization of debt discount for Basin Electric's headquarters to MBPP-West using the WS-MBPP Allocator. Basin Electric allocates and includes in the ATRR \$547 of amortization of debt discount related to headquarters. *See* Attachment G, tab 1, page 3, line 14.

d. Taxes – Other than Income Tax

Taxes (other than income) consist of state and local property taxes and other taxes. *See* Attachment I, tab 8. Basin Electric's management has made the decision that income taxes were not to be included in the ATRR calculation as of the date the ATRR was calculated. Therefore, Basin Electric includes only plant-related property taxes in its ATRR calculation. *See* Attachment G, tab 1, line 21.

Basin Electric's property taxes are classified between property headquarters, property directly-assigned, and property production. *See* Attachment G, tab 1, page 3, line 21. The only property taxes allocated to MBPP-West and included in the ATRR are property taxes for Basin Electric's headquarters. These taxes are allocated to MBPP-West using the GP-B allocator. Basin Electric includes an allocation of \$38,221 of total property taxes for MBPP-West in the ATRR. *See* Attachment G, tab 1, page 3, line 25.

4. Margin

Basin Electric's bond covenant requires inclusion of a margin in its ATRR. As an electric cooperative, Basin Electric's proposed ATRR is not intended to recover a profit. However, Basin Electric must rely on its members to recover its costs and ensure that it has sufficient cash reserves to fund necessary O&M and transmission buildout. Basin Electric accomplishes this through the inclusion of a margin in its stated cost-of-service rate. To the extent Basin Electric has excess funds, or a net margin, it returns that excess to its members as patronage capital.

Basin Electric calculates the margin as approximately 2.7% of net plant. Basin Electric's total company margin is \$32,657,262. *See* Attachment G, tab 1, page 3, line 27. The margin is allocated to MBPP-West using the NP-B Allocator. Basin Electric has allocated \$1,435,238 of the total margin to MBPP-West, which is included in Basin Electric's ATRR. *See* Attachment G, tab 1, page 3, line 27.

5. Revenue Credits

When Basin Electric calculated its ATRR in 2003, Basin Electric was receiving revenues under transmission agreements with third parties for use of MBPP-West. These revenues included transmission revenue from Public Service Company of Colorado (“PSCo”) and Basin Electric’s transmission revenue from Tri-State. While Basin Electric no longer receives revenue from PSCo or Tri-State, it nevertheless continues to flow through these credits in its ATRR.

Basin Electric also received revenue for hourly non-firm sales over the MBPP facilities, which were recorded in Account No. 456, Other electric revenue. Account No. 456 revenues are also deducted from Basin Electric’s gross ATRR. Basin Electric reflects these revenues in its ATRR calculation as credits. Together, the revenue credits result in a \$1,713,184 reduction in Basin Electric’s MBPP-West ATRR. *See* Attachment G, tab 1, page 1, line 7.

Further, Basin Electric removed a small percentage of costs accounting for Basin Electric’s entitlement share of the MBPP delivered in the Eastern Interconnection. At the time the rate was calculated, Basin Electric’s entitlement share of the MBPP delivered in the Western Interconnection was 93.4003%. Therefore, Basin Electric deducts 6.5997% from its MBPP-West ATRR to account for the costs for the entitlement share delivered in the Eastern Interconnection, resulting in a reduction in Basin Electric’s gross MBPP-West ATRR of \$583,750. *See* Attachment G, tab 1, page 1, line 2.

6. Revenue Requirement Summary

Basin Electric’s MBPP-West ATRR is \$6,548,163. *See* Attachment G, tab 1, page 1, line 8. Basin Electric’s gross ATRR consists of an allocated or directly-assigned portion of Basin Electric’s operating expenses, which include O&M expenses, debt service, taxes other than income taxes, and margin for interest. Basin Electric’s gross ATRR for MBPP-West is \$8,845,097. *See* Attachment G, tab 1, page 1, line 1. Basin Electric deducts 6.5997%, or \$583,750, from this gross ATRR, which accounts for costs associated with Basin Electric’s entitlement share delivered in the Eastern Interconnection. *See* Attachment G, tab 1, page 1, line 2. Basin Electric also deducts \$1,713,184 in revenue credits for revenues received from third parties, which offset the ATRR. *See* Attachment G, tab 1, page 1, line 7.

C. DERIVATION OF THE RATE

Basin Electric’s rate for MBPP-West service is calculated by dividing its net ATRR by its total load in the Western Interconnection over the MBPP facilities.

Attachment G, tab 2, shows Basin Electric’s 2002 monthly network and long-term firm point-to-point loads for the MBPP facilities (together, “MBPP-West Load”) based on kW sales. To determine the total MBPP Load, Basin Electric calculated the average monthly load for network and long-term firm point-to-point service and summed those averages to calculate total MBPP Load of 502,325 kW.

Basin Electric’s rate is calculated on Attachment G, tab 1, page 1. Basin Electric divides its net ATRR of \$6,548,163 by the MBPP Load of 502,325 KW to calculate the following rates:

Rates		
Annual	\$13.04	/kW-year
Monthly	\$1.09	/kW-mo
Weekly	\$0.25	/kW-week
Daily Off-Peak (7 days/week)	\$0.04	/kW-day
Hourly	\$1.49	mills/kWh

Basin Electric's yearly, monthly, weekly, and daily rates are included in Basin Electric's Tariff at Schedule 7, Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service. Basin Electric's monthly, weekly, daily, and hourly delivery rates are reflected in Schedule 8, Non-Firm Point-to-Point Transmission Service.

Line No.					Total Transmission	MBPP-West Transmission
1	GROSS REVENUE REQUIREMENT (page 3, line 28)					
2	Less Amount for MBPP East					
3	REVENUE CREDITS	Total	Allocator			
5	Account No. 456	\$ 207,558	TP	1.00000		\$ (207,558)
6	Third Party Receipts	\$ 1,505,626	TP	1.00000		\$ (1,505,626)
7	TOTAL REVENUE CREDITS (sum lines 5-6)					\$ (1,713,184)
8	NET REVENUE REQUIREMENT (sum lines 1, 2, 7)					\$ 6,548,163

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West Side Load 502,324

Rates				
Annual		\$ 13.04	/kW-year	
Monthly		\$ 1.09	/kW-mo	
Weekly		\$ 0.25	/kW-week	
Daily Off-Peak	7 days/week	\$ 0.04	/kW-day	
Hourly		\$ 1.49	mills/kWh	

(1)		(2)	(3)	(4)		(5)	(6)	(7)	(8)
		Reference	Company Total	Allocator A		Total Transmission	Allocator B		MBPP-West Transmission
GROSS PLANT IN SERVICE									
1	Production	12h.1.A.6.e	1,668,030,362	NA		-			-
2	Transmission *	12h.1.A.11.e	423,647,720	DA		423,647,720			90,419,729
3	Distribution	12h.1.A.16.e	-	NA		-			-
4	General	12h.1.A.17.e	99,046,815	NA		-			-
4a	Direct Assign - Transmission		29,436,927	DA		29,436,927			4,236,156
4b	Direct Assign - Production		17,588,821	NA		-			-
4c	Other		52,021,067	WS	10.360%	5,389,507	WS-MBPP	0.925%	481,084
5	Intangible	12h.1.A.1.e	61,130,445	DA		31,483,930			2,585,986
6	TOTAL GROSS PLANT (sum lines 1-5)		\$ 2,251,855,342			\$ 489,958,084			\$ 97,722,954
6a				GP-A	21.758%		GP-B		4.340%
6b							TPGP		19.945%
ACCUMULATED DEPRECIATION									
7	Production	12h.1.B.1&4.f	769,425,500	NA		-			-
8	Transmission	12h.1.B.5.f	189,738,978	DA		189,738,978			40,750,314
9	Distribution	12h.1.B.6.f	-	NA		-			-
10	General	12h.1.B.7.f	67,317,620	NA		-			-
10a	Direct Assign - Transmission		18,994,230	DA		18,994,230			2,847,993
10b	Direct Assign - Production		14,031,111	NA		-			-
10c	Other		34,292,279	WS	10.360%	3,552,762	WS-MBPP	0.925%	317,130
11	Intangible	12h.1.B.12.f	32,136,843	DA		16,116,876			1,366,558
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		\$ 1,058,618,941			\$ 228,402,846			\$ 45,281,995
NET PLANT IN SERVICE									
13	Production	(line 1- line 7)	898,604,862	AUTO		-			-
14	Transmission	(line 2- line 8)	233,908,742	AUTO		233,908,742			49,669,415
15	Distribution	(line 3 - line 9)	-	AUTO		-			-
16	General	(line 4 - line 10)	31,729,195	AUTO		-			-
16a	Direct Assign		10,442,697	AUTO		10,442,697			1,388,163
16b	Production		3,557,710	AUTO		-			-
16c	Other		17,728,788	AUTO		1,836,745			163,953
17	Intangible	(line 5 - line 11)	28,993,601	AUTO		15,367,054			1,219,427
18	TOTAL NET PLANT	(sum lines 13, 14, 16, 17)	\$ 1,193,236,400			\$ 261,555,237			\$ 52,440,959
19				NP-A	21.920%		NP-B	4.395%	

* Adjustment of \$1,199,738 made to transmission fixed assets is due to a correction for over accrual of property tax
Differs from the RUS 12h by \$1,199,738

Basin Electric Power Cooperative
Revenue Requirement Worksheet - MBPP West
Utilizing RUS Form 12 Data
For the 12 months ended 12/31/02

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		Reference	Company Total	Allocator A	Total Transmission	Allocator B		MBPP-West Transmission
	O&M							
1	Transmission less Account 565	12a.A.8.b+ A.16.b-12l.A.8.a	11,165,870					
2	Direct Assignment	Accounting Records	-	DA	-	DA		
3	Other	(line 1 - line 2)	11,165,870	DA	11,165,870	TPWS	8.926%	996,699
4	A&G	12a.A.13.b	33,406,651					
5	Production	Accounting Records	6,593,637	NA	-			-
6	Transmission	Accounting Records	528,173	DA	528,173	Accounting Records		103,734
7	Headquarters	Accounting Records	26,284,841	WS	2,723,172	WS-MBPP	0.925%	243,079
8	Distribution		-	NA	-			-
9	TOTAL O&M (sum lines 1 and 4)		\$ 44,572,521		\$ 14,417,215			\$ 1,343,512
	DEBT SERVICE							
10	Interest Expense	12a.A.22.b	56,662,433	NP-A	12,420,302	NP-B	4.395%	2,490,229
11	Principal Payments	12h.H.c	78,797,247	NP-A	17,272,212	NP-B	4.395%	3,463,021
12	Amort of Debt Discount (428)	12a.A.25.b	3,322,583	NA	-			-
13	Transmission	Accounting Records	842,387	DA	842,387	TPWS	8.926%	74,328
14	Headquarters	Accounting Records	59,173	WS	6,130	WS-MBPP	0.925%	547
15	Production	Accounting Records	2,421,023	NA	-			-
16	Other Deductions (426)	Accounting Records	-	DA	-	DA		-
17	TOTAL DEBT SERVICE (sum lines 10, 11, 12,16)		\$ 138,782,263		\$ 30,541,032			\$ 6,028,126
	TAXES OTHER THAN INCOME TAXES							
	LABOR RELATED		-					
18	Payroll		-	WS		WS		-
19	Highway and vehicle		-	WS		WS		-
20	PLANT RELATED							
21	Property total		8,981,927	GP-A		NA		-
22	Property Headquarters	12a.A.21.b (less income tax)	880,743	GP-A	191,632	GP-B	4.340%	38,221
23	Property Directly Assigned	Accounting Records	165,238	DA	165,238	NA		-
24	Production	12d & 12f	7,935,946	NA	-	NA		-
25	TOTAL OTHER TAXES		\$ 8,981,927		\$ 356,870			\$ 38,221
26	TOTAL OPERATING EXPENSES (Sum 9+17+25)		\$ 192,336,712		45,315,117			7,409,859
27	Margin		\$ 32,657,262	NP-A	7,158,412	NP-B	4.395%	1,435,238
28	REV. REQUIREMENT (sum lines 26+27)		\$ 224,993,974		52,473,529			8,845,097

A & G Allocation

WAGES AND SALARY ALLOCATOR (W/S)

Line No.	(1) (From Accounting Report - Cognos)	(2)	(3) TOTAL	(4) Allocator	(5) Percent	(6) West Transmission
1	Production		27,602,828			
2	Transmission-East		143,717			\$284,770
3	Transmission-West		284,770			
4	Transmission-Allocated		2,761,748			
5	Distribution		-			
6	Other		-			
7	Total Wages and Salaries (exclude adm)		\$30,793,063	WS	Trans % of total wages	10.360%
						WS-MBPP
						0.925%
						(line 3/ total)
				TPWS	Trans % of total trans	8.926%
						(% of total transmission)

Basin Electric Power Cooperative
 MBPP-West System Loads
 December 31, 2002

Tab 2 MBPP West Loads
 Page 1 of 1

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2002	<u>Network</u>	<u>Firm p-t-p</u>	
January	340	259	
February	347	277	
March	325	173	
April	277	0	
May	302	28	
June	283	0	
July	285	217	
August	296	131	
September	303	210	
October	318	318	
November	338	274	
December	<u>344</u>	<u>383</u>	
Total	3758	2270	
Average	313	189	502

**Basin Electric Power Cooperative
Third Party Revenue
December 31, 2002**

**Tab 3 Third Party Revenue
Page 1 of 1**

	2002	2002
MONTH	PSCO	Tri-State
January	57,806	28,479
February	87,025	28,479
March	98,674	28,479
April	74,863	28,479
May	76,934	28,479
June	88,542	28,479
July	146,111	28,479
August	130,706	28,479
September	144,455	28,479
October	78,475	28,479
November	101,739	28,479
December	78,545	28,479
Total	\$ 1,163,873	\$ 341,753

**2002
Tri-State** **\$ 36,605**

	2002	
	Hourly Non-Firm West Side Transmission Sales	
	KWH	Dollars
January	1,734	2,791.74
February	1,947	3,134.67
March	5,401	8,695.71
April	4,899	7,887.39
May	8,760	14,103.60
June	5,386	8,671.46
July	27,579	44,402.19
August	27,569	44,386.09
September	11,010	17,726.10
October	3,310	5,329.10
November	3,846	6,192.06
December	4,741	7,633.01
Total	106,182	\$170,953.12

Basin Electric Power Cooperative
MBPP-West System Transmission Facilities
December 31, 2002

Tab 4 MBPP West Facilities
Page 1 of 2

CPLX	LINES	BOOK COST	12/31/02 ACCUM DEPR	12/31/02 NET BOOK VALUE
049	345kv line from LRS-Stegall	5,917,563	2,753,805	3,163,759
050	345kv line from LRS-Stegall Sub	519,922	234,770	285,152
051	345KV Line from LRS to NB Border	2,392,317	1,050,581	1,341,736
052	345KV Line - NB Border To Sidney Sub	3,702,714	1,599,834	2,102,879
053	345 KV LINE - Stegall Sub to Sidney Sub	4,971,800	2,171,235	2,800,565
073	230kv line from LRS to D Johnston	2,868,108	1,367,428	1,500,680
074	345kv line from LRS-Story	18,392,775	9,014,833	9,377,942
075	345kv line from CO Border to Story Sub	16,558,245	7,706,129	8,852,116
077	LRS Plantsite Lines	1,255,831	503,096	752,734
091	NEBRASKA TAX	161,866	66,795	95,071
096	MBPP Tri-State	12,498	10,521	1,977
101	230KV Line - Sidney Sub To WAPA Sub	499,280	236,827	262,453
102	230kv Stegall Tie Line	353,438	157,703	195,735
103	230KV Tie Line Stegall Sub - Stegall/WAPA	311,212	142,623	168,589
104	345kv line - 048 to CO Border	9,532,226	3,916,617	5,615,609
105	345kv line-CO Border to Ault	3,044,164	1,226,344	1,817,820
106	230kv Sidney Tie Line	268,113	127,846	140,267
SUBTOTAL LINES		70,762,073	32,286,988	38,475,085
SUBSTATIONS				
045	230kv LRS Switch Station	2,239,383	995,928	1,243,455
048	345kv LRS Substation	5,835,824	2,941,475	2,894,349
076	230kv D Johnson Substation	379,358	180,145	199,213
078	345/230 KV Stegall Substation	3,014,708	1,400,390	1,614,318
079	345/230 KV Sidney Substation	4,083,137	1,927,349	2,155,788
079	345/230 KV Sidney Substation	1,247	1,247	-
084	230 KV Stegall-WAPA Sub Addition	599,773	269,721	330,052
086	230kv Story Substation	412,617	194,017	218,600
100	230/115 KV Sidney Substation Addition	284,620	117,352	167,267
190	345kv Story Substation	2,820,734	1,242,048	1,578,686
SUBTOTAL SUBSTATIONS		19,671,401	9,269,673	10,401,728

Basin Electric Power Cooperative
MBPP-West System Transmission Facilities
December 31, 2002

Tab 4 MBPP West Facilities
Page 2 of 2

CPX	Description	Installed Costs	Accum Depr	12/31/01 NET BOOK VALUE
MICROWAVE COMMUNICATONS				
131	Microwave Communication-WY	1,207,846	628,694	579,151
132	Microwave Communication-CO	361,212	272,130	89,082
133	Microwave - NB	697,637	502,456	195,181
135	Microwave - ND	6,016	5,831	185
138	Microwave - SD	46,623	21,929	24,693
		2,319,334	1,431,041	888,293
	Less Non-Trans MW (4.724%)	(109,565)	(67,602)	(41,963)
	SUBTOTAL MICROWAVE	2,209,768	1,363,438	846,330
MAINTENANCE BUILDING				
107	Trans Maintenance Building - Stegall	1,086,255	694,378	391,877
108	LRS Trans Maintenance Bldg	926,388	778,409	147,979
	SUBTOTAL MAINTENANCE	2,012,642	1,472,787	539,856
OTHER				
085	345kv Ault Substation	2,516,855	1,333,124	1,183,731
088	230KV OCB-Tri-State	69,131	33,435	35,696
	SUBTOTAL OTHER	2,585,986	1,366,558	1,219,427
	General Ledger Accum Depr Adjust		(794,579)	
	GRAND TOTAL	97,241,870	44,964,865	52,277,005

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION ND0045		
OPERATING REPORT - FINANCIAL		PERIOD ENDED 12/2002		
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. For detailed instructions, see RUS Bulletin 1717B-3.		This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.		
12a - Section A. Statement of Operations				
Item	Year to Date Last Year	Year to Date This Year	Year to Date Budget	This Month
1. Electric Energy Revenues	489,112,530	485,926,394	514,208,104	46,720,574
2. Income From Leased Property (Net)	0	0	0	0
3. Other Operating Revenue and Income	11,734,816	7,229,253	7,923,143	591,686
4. TOTAL Oper. Revenues & Patronage Capital (1 thru 3)	500,847,346	493,155,647	522,131,247	47,312,260
5. Operating Expense - Production - Excluding Fuel	84,146,498	82,421,909	91,277,337	6,531,798
6. Operating Expense - Production - Fuel	121,455,238	126,018,417	134,521,281	11,791,772
7. Operating Expense - Other Power Supply	48,314,765	41,269,060	40,907,749	3,923,881
8. Operating Expense - Transmission	24,436,795	23,065,638	41,068,490	5,372,534
9. Operating Expense - Distribution	0	0	0	0
10. Operating Expense - Customer Accounts	0	0	0	0
11. Operating Expense - Customer Service & Information	0	0	0	0
12. Operating Expense - Sales	0	0	0	0
13. Operating Expense - Administrative & General	23,456,310	33,406,651	33,575,258	3,524,462
14. TOTAL Operation Expense (5 thru 13)	301,809,606	306,181,675	341,350,115	31,144,447
15. Maintenance Expense - Production	61,522,264	58,081,176	50,687,275	2,831,731
16. Maintenance Expense - Transmission	1,574,162	1,155,274	1,472,258	113,020
17. Maintenance Expense - Distribution	0	0	0	0
18. Maintenance Expense - General Plant	0	0	0	0
19. TOTAL Maintenance Expense (15 thru 18)	63,096,426	59,236,450	52,159,533	2,944,751
20. Depreciation and Amortization Expense	54,032,510	56,760,969	59,221,738	5,140,812
21. Taxes	20,496,010	(6,478,325)	9,366,189	4,947,072
2. Interest on Long-Term Debt	63,798,135	56,662,433	66,054,166	4,926,287
23. Interest Charged to Construction - Credit	0	0	0	0
24. Other Interest Expense	1,359,199	417,881	0	0
25. Other Deductions	7,151,098	5,193,660	5,945,320	370,236
26. TOTAL Cost of Electric Service (14 + 19 thru 25)	511,742,984	477,974,743	534,097,061	49,473,605
27. Operating Margins (4 less 26)	(10,895,638)	15,180,904	(11,965,814)	(2,161,345)
28. Interest Income	21,892,272	16,784,546	29,525,228	1,420,150
29. Allowance For Funds Used During Construction	(211)	0	649,679	0
30. Income (Loss) from Equity Investments	2,760,258	(1,674,204)	0	653,029
31. Other Non-operating Income (Net)	9,759,456	4,615,748	4,176,624	1,033,087
32. Generation & Transmission Capital Credits	0	0	0	0
33. Other Capital Credits and Patronage Dividends	3,540,540	1,679,236	1,115,286	167,908
34. Extraordinary Items	0	0	0	0
35. Net Patronage Capital or Margins (27 thru 34)	27,056,677	36,586,230	23,501,003	1,112,829
ITEM - Mills/kWh (Optional Use by Borrower)		0	0	
36. Electric Energy Revenue Per kWh Sold		0.00	0.00	
37. Total Operation & Maintenance Expense Per kWh Sold		0.00	0.00	
38. Total Cost of Electric Service Per kWh Sold		0.00	0.00	
39. Purchased Power Cost Per kWh Purchased		0.00	0.00	

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PERIOD ENDED

12/2002

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Description	Amount	Description	Amount
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	2,250,655,604	32. Memberships	19,200
2. Construction Work in Progress	46,735,517	33. Patronage Capital	0
3. TOTAL UTILITY PLANT (1 + 2)	2,297,391,121	a Assigned and Assignable	294,660,445
4. Accum. Provision for Depreciation and Amort.	1,058,618,941	b Retired This year	12,234,781
5. NET UTILITY PLANT (3 - 4)	1,238,772,180	c Retired Prior years	100,112,383
6. Non-Utility Property (Net)	0	d Net Patronage Capital	182,313,281
7. Investments in Subsidiary Companies	478,415,300	34. Operating Margins - Prior Years	0
8. Invest. in Assoc. Org. - Patronage Capital	34,393,068	35. Operating Margins - Current Year	15,180,904
9. Invest. in Assoc. Org. - Other - General Funds	18,405	36. Non-Operating Margins	23,079,530
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	2,523,777	37. Other Margins and Equities	444,746,752
11. Investments in Economic Development Projects	0	38. TOTAL MARGINS & EQUITIES (32+33d thru 37)	665,339,667
12. Other Investments	57,755,621	39. Long-Term Debt - RUS (Net)	(58,412,859)
13. Special Funds	19,414,978	(Payments - Unapplied \$)	111,542,333
14. TOTAL OTHER PROPERTY AND INVESTMENTS (6 thru 13)	592,521,149	40. Long-Term Debt - RUS - Econ. Devel. (Net)	0
15. Cash - General Funds	50,145	41. Long-Term Debt - FFB - RUS Guaranteed	674,208,565
16. Cash - Construction Funds - Trustee	0	42. Long-Term Debt - Other - RUS Guaranteed	86,012,298
17. Special Deposits	8,773	43. Long-Term Debt - Other (Net)	311,306,065
18. Temporary Investments	95,263,082	44. TOTAL LONG-TERM DEBT (39 thru 43)	1,013,114,069
19. Notes Receivable (Net)	0	45. Obligations Under Capital Leases - Noncurrent	0
Accounts Receivable - Sales of Energy (Net)	59,085,845	46. Accumulated Operating Provisions	24,056,063
21. Accounts Receivable - Other (Net)	33,331,431	47. TOTAL OTHER NONCURRENT LIABILITIES (45+46)	24,056,063
22. Fuel Stock	8,908,195	48. Notes Payable	63,974,713
23. Materials and Supplies - Other	20,262,933	49. Accounts Payable	47,504,942
24. Prepayments	4,781,373	50. Current Maturities Long-Term Debt	84,461,560
25. Other Current and Accrued Assets	1,134,196	51. Current Maturities Long-Term Debt -Rural Development	0
26. TOTAL CURRENT AND ACCRUED ASSETS (15 thru 25)	222,825,973	52. Current Maturities Capital Leases	0
27. Unamortized Debt Discount & Extraor. Prop. Losses	5,677,825	53. Taxes Accrued	2,685,660
28. Regulatory Assets	57,005,504	54. Interest Accrued	5,586,329
29. Other Deferred Debits	40,886,465	55. Other Current and Accrued Liabilities	9,732,091
30. Accumulated Deferred Income Taxes	174,829,467	56. TOTAL CURRENT & ACCRUED LIABILITIES (48 thru 55)	213,945,295
31. TOTAL ASSETS AND OTHER DEBITS (5+14+26 thru 30)	2,332,518,563	57. Deferred Credits	207,669,363
		58. Accumulated Deferred Income Taxes	208,394,106
		59. TOTAL LIABILITIES AND OTHER CREDITS (38+44+47+56 thru 58)	2,332,518,563

Name of Borrower		Report Year	Report Period
BASIN ELECTRIC POWER COOP (ND0045)		2002	12
12a - Section C. Notes to Financial Statements			

Note pertaining to Lines 30 and 58 of Section B: Balance Sheet of the 12A.

Current Deferred Tax Assets	\$ 0.00
Noncurrent Deferred Tax Assets	<u>174,829,466.70</u>
Total Deferred Tax Assets	\$ 174,829,466.70

Current Deferred Tax Liabilities	\$ 1,793,352.00
Noncurrent Deferred Tax Liabilities	<u>206,600,753.70</u>
Total Deferred Tax Liabilities	\$ 208,394,105.70

Net Deferred Tax Liability	\$ 33,564,639.00
----------------------------	------------------

The program is not allowing for the explanation of Check ID Error 1420. The reason the hours do not total the number of hours in the year is because the Wyoming Distributed Generation sites (Hartzog, Arvada, and Barber Creek) all became operational during 2002. Hartzog went operational in August 2002 and Arvada and Barber Creek went operational during September 2002.

Disclosure Notes: For additional disclosures, see notes to audited financial statement of which RUS has a copy.

Notes pertaining to the RUS Form 12B

1. RQ Sales on Lines 2-39 column d-f: The Average Demands are based on maximum 30 minute readings in a month.

Other Charges Lines 2-39: RQ Sales. Other Charges are Delivery Point Credits

2. Other Charges Line 47, is revenue held in escrow pending a possible contract change.

4. Other Charges Lines 54, 66, 67 are Administration Charges.

5. Other Charges Line 71: Amortization of 2000 Revenue Deferral.

PERIOD ENDED

12/2002

OPERATING REPORT - FINANCIAL

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12b - Sales of Electricity

Sale No.	Statistical	RUS Borrower	Average Monthly Billing	Actual Demand Average Monthly NCP	Actual Demand Average Monthly CP
1 Ultimate Consumer(s)	RQ		126	126	126
2 Minnesota Valley Coop L&P Assn (MN0039)	RQ	MN0039	16	16	16
3 Burke-Divide Electric Coop Inc (ND0031)	RQ	ND0031	5	5	5
4 Goldenwest Electric Coop, Inc (MT0029)	RQ	MT0029	2	2	2
5 Lower Yellowstone R E A, Inc (MT0005)	RQ	MT0005	6	7	6
6 McCone Electric Co-op, Inc (MT0028)	RQ	MT0028	6	6	6
7 McKenzie Electric Coop, Inc (ND0029)	RQ	ND0029	19	21	19
8 Mountrail-Williams Elec Coop (ND0028)	RQ	ND0028	16	16	16
9 Sheridan Electric Coop, Inc (MT0025)	RQ	MT0025	7	8	7
10 Slope Electric Coop, Inc (ND0034)	RQ	ND0034	6	7	6
11 Southeast Electric Coop, Inc (MT0034)	RQ	MT0034	2	2	2
12 West Plains Electric Coop, Inc (ND0033)	RQ	ND0033	17	19	17
13 Wor-Gran-Sou Electric Coop Inc (ND0025)	RQ	ND0025	16	17	16
14 KEM Electric Cooperative, Inc (ND0027)	RQ	ND0027	5	5	5
15 Oliver-Mercer Elec Coop, Inc (ND0032)	RQ	ND0032	27	27	27
16 Capital Electric Coop, Inc (ND0035)	RQ	ND0035	24	24	24
17 Capital Electric Coop, Inc (ND0035)	RQ	ND0035	6	6	6
18 Verendrye Electric Coop, Inc (ND0017)	RQ	ND0017	30	30	30
19 Dakota Valley Electric Cooperative (ND0051)	RQ	ND0051	45	45	45
20 North Central Elec Coop, Inc (ND0022)	RQ	ND0022	19	19	19
21 McLean Electric Coop, Inc (ND0037)	RQ	ND0037	6	6	6
22 Northern Plains Electric Coop (ND0050)	RQ	ND0050	36	36	36
23 Rosebud Electric Coop, Inc (SD0026)	RQ	SD0026	5	5	5
24 Grand Electric Coop, Inc (SD0040)	RQ	SD0040	19	20	19
25 Powder River Energy Corp (WY0025)	RQ	WY0025	232	232	232
26 Tri-State G & T Assn, Inc (CO0047)	RQ	CO0047	105	105	105
27 Tri-State G & T Assn, Inc (CO0047)	RQ	CO0047	109	109	109
28 Corn Belt Power Cooperative (IA0084)	RQ	IA0084	17	17	17
29 Northwest Iowa Power Coop (IA0085)	RQ	IA0085	86	86	86
30 Northwest Iowa Power Coop (IA0085)	LF	IA0085			
31 L & O Power Cooperative (IA0086)	RQ	IA0086	20	20	20
32 Upper Missouri G&T El Coop Inc (MT0040)	RQ	MT0040	22	23	22
33 Central Power Elec Coop, Inc (ND0042)	RQ	ND0042	11	11	11
34 East River Elec Pwr Coop, Inc (SD0043)	RQ	SD0043	196	196	196
35 Great River Energy (MN0110)	LF	MN0110	39	39	39
36 Minnkota Power Coop, Inc (ND0020)	SF	ND0020	5	5	5
37 Wright-Hennepin Coop Elec Assn (MN0062)	LF	MN0062	1	1	1
38 Central Montana E P C, Inc	RQ		8	9	8
39 Rushmore Electric Power Coop	RQ		118	125	118
40 Alliant Energy	SF		100	100	100
41 Alliant Energy	SF				
42 Aquila Energy Marketing Corp	SF		11	11	11
43 Aquila Energy Marketing Corp	SF				
44 Aquila Energy Marketing Corp	SF				
45 City of Stanton	IF		1	1	1
46 Enpower	IF		45	45	45
47 Flathead Electric Coop, Inc	LF		17	17	17
48 Flathead Electric Coop, Inc	LF				
49 Granite Peak Energy	IF		8	8	8

PERIOD ENDED

12/2002

OPERATING REPORT - FINANCIAL

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Sale No.	Statistical	RUS Borrower	Average Monthly Billing	Actual Demand Average Monthly NCP	Actual Demand Average Monthly CP
50 Heartland Consumers Power Dist	IF		30	30	30
51 Heartland Consumers Power Dist	IF		20	20	20
52 Heartland Consumers Power Dist	SF		10	10	10
53 Idacorp Energy	SF				
54 Montana Dakota Utilities Co	LU		66	66	66
55 Montana Dakota Utilities Co	AD				
56 Montana Dakota Utilities Co	SF		5	5	5
57 Montana Dakota Utilities Co	SF		15	15	15
58 Montana Dakota Utilities Co	SF				
59 Northpoint Energy Solutions	IF				
60 Northpoint Energy Solutions	SF				
61 Northpoint Energy Solutions	SF				
62 Northpoint Energy Solutions	SF				
63 NorthWestern Public Service Co	IF		25	25	25
64 PPL Montana, LLC	LU		98	98	98
65 Public Service Co of Colorado	LU				
66 Public Service Co of Colorado	LU		100	100	100
67 Public Service Co of Colorado	LU		50	50	50
68 Rocky Mountain Generation Coop	SF				
69 Western Area Power Admin	SF				
70 Western Area Power Admin	SF				
71 Western Area Power Admin	AD				
72 Western Area Power Admin	SF				
73 Western Area Power Admin	SF				
74 Wyoming Municipal Power Agency	SF				
75					
Total for Ultimate Consumer(s)			126	126	
Total for Distribution Borrowers			573	582	573
Total for G&T Borrowers			610	611	610
Total for Other			727	735	727
Grand Total			2,036	2,054	2,036

OPERATING REPORT - FINANCIAL

PERIOD ENDED

12/2002

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12b - Sales of Electricity (continued)

Sale No.	Electricity Sold	Revenue Demand	Revenue Energy	Revenue Other	Revenue Total
1	917,718	19,394,087	11,285,438		30,679,525
2	99,642	1,405,098	1,813,711	(36,867)	3,181,942
3	35,545	514,029	651,697		1,165,726
4	10,211	189,972	185,392		375,364
5	39,502	797,291	708,380		1,505,671
6	33,847	545,897	612,671		1,158,568
7	151,072	2,115,503	2,710,412		4,825,915
8	106,474	1,451,014	1,950,564		3,401,578
9	50,584	837,776	918,037		1,755,813
10	40,593	635,675	737,287		1,372,962
11	13,234	225,161	237,832		462,993
12	118,757	2,345,377	2,125,591		4,470,968
13	104,471	1,387,930	1,897,300	(24,049)	3,261,181
14	33,625	415,482	613,339	(54,590)	974,231
15	157,731	2,467,749	2,865,198		5,332,947
16	126,415	1,917,341	2,288,877	(87,612)	4,118,606
17	34,187	373,467	624,992		998,459
18	205,474	2,209,887	3,795,126		6,005,013
19	340,761	3,238,635	6,174,751		9,413,386
20	135,013	1,315,190	2,526,126		3,841,316
21	40,385	481,702	751,050		1,232,752
22	248,931	2,435,891	4,632,522		7,068,413
23	26,207	417,548	478,238	(15,537)	880,249
24	145,811	1,339,959	2,620,300	(122,985)	3,837,274
25	1,800,902	20,587,916	31,356,942	(898,364)	51,046,494
26	789,219	9,363,767	13,924,664	(395,678)	22,892,753
27	735,872	14,363,028	10,807,938		25,170,966
28	74,901	1,480,240	1,502,394		2,982,634
29	557,666	6,661,021	10,180,500	(183,859)	16,657,662
30	328		5,084		5,084
31	136,370	1,563,773	2,497,432	(128,303)	3,932,902
32	182,342	127,088	3,512,694	(520,288)	3,119,494
33	78,325	690,374	1,393,971	(513,395)	1,570,950
34	1,298,852	14,830,931	24,360,290	(789,664)	38,401,557
35		891,000			891,000
36		90,000			90,000
37	5,881	92,000	97,037		189,037
38	65,980	1,006,640	1,194,945	(78,769)	2,122,816
39	670,601	9,234,938	12,183,922	(347,059)	21,071,801
40	857,755	3,000,000	20,334,155		23,334,155
41	170		7,650		7,650
42	32,877	85,440	939,834		1,025,274
43	160		8,580		8,580
44	18,680		805,668		805,668
45	1,050		36,398		36,398
46	372,873	2,001,298	8,453,726		10,455,024
47	95,153	1,636,000	4,186,731	(248,938)	5,573,793
48	17,504		962,720		962,720
49	63,160		1,930,329		1,930,329

PERIOD ENDED

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OPERATING REPORT - FINANCIAL

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Sale No.	Electricity		Revenue		Revenue		Revenue		Revenue	
	Sold		Demand		Energy		Other		Total	
50	86,400		480,000		1,857,600				2,337,600	
51	117,590		2,208,000		1,763,655				3,971,655	
52	58,810		1,380,000		882,150				2,262,150	
53	12,561				56,538				56,538	
54	543,726		10,787,761		5,180,883		286,658		16,255,302	
55	(101)				(888)				(888)	
56			80,000						80,000	
57			240,000						240,000	
58	237				15,045				15,045	
59	122,400				2,549,584				2,549,584	
60	82,400				1,945,936				1,945,936	
61	550				9,888				9,888	
62	25,824				614,016				614,016	
63			750,000						750,000	
64	371,609		11,168,260		3,767,887				14,936,147	
65	446,119				9,484,393				9,484,393	
66	579,227		15,284,400		6,778,205		48,000		22,110,605	
67	316,058		8,400,000		4,075,291		50,004		12,525,295	
68	1,540,385				34,373,550				34,373,550	
69	360,133				6,590,387				6,590,387	
70	757,680				16,613,107				16,613,107	
71							345,000		345,000	
72	9,543				310,148				310,148	
73	36,352				1,163,264				1,163,264	
74	18,240				782,080				782,080	
75										
	917,718		19,394,087		11,285,438				30,679,525	
	4,105,255		49,743,490		73,373,372		(1,240,004)		121,876,858	
	3,853,875		50,061,222		68,184,967		(2,531,187)		115,715,002	
	7,681,706		67,742,737		149,857,377		54,896		217,655,010	
	16,558,554		186,941,536		302,701,154		(3,716,295)		485,926,395	

OPERATING REPORT - FINANCIAL

PERIOD ENDED

12/2002

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12b - Purchased Power

Purchase	Statistical	RUS Borrower	Average Monthly Billing	Actual Demand Average Monthly NCP	Actual Demand Average Monthly CP
1 Idaho Power Company (ID0024)	SF	ID0024			
2 Idaho Power Company (ID0024)	SF	ID0024			
3 Minnkota Power Coop, Inc (ND0020)	SF	ND0020			
4 Northwest Iowa Power Coop (IA0085)	OS	IA0085			
5 Northwest Iowa Power Coop (IA0085)	LU	IA0085	30		361
6 Northwest Iowa Power Coop (IA0085)	LU	IA0085			
7 PacifiCorp (CO0402)	SF	CO0402			
8 PacifiCorp (CO0402)	SF	CO0402			
9 Tri-State G & T Assn, Inc (CO0047)	RQ	CO0047	12		142
10 Tri-State G & T Assn, Inc (CO0047)	SF	CO0047			
11 Tri-State G & T Assn, Inc (CO0047)	SF	CO0047			
12 Aquila Energy Marketing Corp	IF				
13 Aquila Energy Marketing Corp	SF				
14 Black Hills Power & Light Co	SF				
15 Black Hills Power & Light Co	SF				
16 Black Hills Power & Light Co	SF				
17 Bonneville Power Admin	SF				
18 Cargill-Alliant LLC	SF				
19 City of Ames	SF				
20 Colorado Springs Utilities	SF				
21 Colorado Springs Utilities	SF				
22 GEN-SYS Energy	SF				
23 Hastings Utilities	SF				
24 Hutchinson Utilities Comm	SF				
25 Manitoba Hydro	SF				
26 MidAmerican Energy Company	SF				
27 *Miscellaneous	OS				
28 Montana Dakota Utilities Co	SF				
29 Municipal Energy Agency of NE	SF				
30 Municipal Energy Agency of NE	SF				
31 Muscatine Power and Water	SF				
32 Nebraska Public Power District	RQ				6
33 Nebraska Public Power District	SF				
34 Northern States Power Company MN	SF				
35 Northpoint Energy Solutions	IF		100		600
36 Northpoint Energy Solutions	SF				
37 Omaha Public Power District	SF				
38 Otter Tail Power Company	SF				
39 Platte River Power Authority	SF				
40 Powerex	SF				
41 PPL Montana, LLC	SF				
42 Public Service Co of Colorado	IF				
43 Public Service Co of Colorado	IF		30		360
44 Public Service Co of Colorado	SF				
45 Public Service Co of Colorado	SF				
46 Public Service Co of Colorado	SF				
47 Public Service Co of Colorado	IF				
48 Rocky Mountain Generation Coop	SF				
49 *Miscellaneous	OS				

BORROWER DESIGNATION
 PERIOD ENDED

12/2002

OPERATING REPORT - FINANCIAL

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Purchase	Statistical	RUS Borrower	Average Monthly Billing	Actual Demand Average Monthly NCP	Actual Demand Average Monthly CP
50 Southern Minnesota Mun P Agny	SF				
51 Split Rock Energy	SF				
52 UtiliCorp United, Inc	SF				
53 UtiliCorp United, Inc	SF				
54 Western Area Power Admin	SF				
55 Western Area Power Admin	RQ				
56 Western Area Power Admin	RQ		269		1,613
57 Western Area Power Admin	SF				
58 Western Area Power Admin	RQ		12		138
59 Western Area Power Admin	SF		68		812
60 Western Area Power Admin	RQ				
61 Western Area Power Admin	SF				
62 Western Area Power Admin	SF				
63 Western Area Power Admin	OS				
64 Western Area Power Admin	SF				
65 Westplains Energy	SF		100		
66 Wyoming Municipal Power Agency	SF				
67					
68					
69					
70					
71					
72					
73					
74					
75					
Total for Distribution Borrowers					
Total for G&T Borrowers			42		503
Total for Other			579		3,529
Grand Total			621		4,032

OPERATING REPORT - FINANCIAL

PERIOD ENDED

12/2002

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12b - Purchased Power (continued)

Purchase	Electricity Purchased	Power Exchanges Electricity Received	Power Exchanges Electricity Delivered	Revenue Demand	Revenue Energy	Revenue Other	Revenue Total
1	800						
2	207				6,544		6,544
3	74				2,281		2,281
4					13,209		13,209
5				2,624,940			2,624,940
6	273,548				3,221,038		3,221,038
7	(19,475)				(323,844)		(323,844)
8	3,952				102,811		102,811
9	94,252			1,889,058	1,562,844		3,451,902
10	504				26,724		26,724
11	5				80		80
12					236,060		236,060
13	17				670		670
14	162				6,691		6,691
15	5,605				155,240		155,240
16	141				2,927		2,927
17	3,648				86,016		86,016
18	50				825		825
19	21				656		656
20	300				14,157		14,157
21	54				1,439		1,439
22	132				5,609		5,609
23	7				328		328
24	8				320		320
25	632				18,960		18,960
26	670				23,524		23,524
27	(38,754)				91,798		91,798
28	66				2,536		2,536
29	20				675		675
30	187				8,501		8,501
31	24				720		720
32	3,109			57,143	42,626		99,769
33	284				18,833		18,833
34	1,263				128,108		128,108
35				8,316,244			8,316,244
36	239,600				803,423		803,423
37	275				14,142		14,142
38	107				3,897		3,897
39	190				6,597		6,597
40	781				30,952		30,952
41	8,800				198,000		198,000
42	262,800				5,455,832		5,455,832
43				909,881			909,881
44	2,113				65,764		65,764
45	(131)				(5,920)		(5,920)
46	462				10,465		10,465
47	1,926				72,898		72,898
48	(134)				(5,202)		(5,202)
49	(56)				(14,767)		(14,767)

PERIOD ENDED

12/2002

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Purchase	Electricity Purchased	Power Exchanges Electricity Received	Power Exchanges Electricity Delivered	Revenue Demand	Revenue Energy	Revenue Other	Revenue Total
50	80				3,324		3,324
51	603				28,018		28,018
52	51				3,088		3,088
53	85,920				85,920		85,920
54	154				12,514		12,514
55	1,571				19,417		19,417
56				5,161,400			5,161,400
57	112,597				3,232,662		3,232,662
58				439,218			439,218
59	24,246			12,073	203,743		215,816
60	185,063				5,477,871		5,477,871
61	50				17,738		17,738
62	(2,724				287,544		287,544
63	16,119				100,099		100,099
64	611				25,275		25,275
65	9				321		321
66	12				382		382
67							
68							
69							
70							
71							
72							
73							
74							
75							
	1,007				6,544		6,544
	352,860			4,513,998	4,605,143		9,119,141
	919,201			14,895,959	16,981,216		31,877,175
	1,273,061			19,409,957	21,592,903		41,002,860

OPERATING REPORT - FINANCIAL

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12c - Sources and Distribution of Energy

Sources of Energy	No. of Plants	Nameplate Capacity (kW)	Net Energy Received by System (MWh)	Cost (\$)
GENERATED IN OWN PLANT (Details on Forms 12d, e, f, and g)				
1. Fossil Steam	3	3,236,000	16,020,099	357,287,521
2. Nuclear	0	0	0	0
3. Hydro	0	0	0	0
4. Combined Cycle	0	0	0	0
5. Internal Combustion	4	187,500	38,711	4,216,603
6. Other	2	5,200	3,099	259,147
7. TOTAL in Own Plant (Sum of lines 1 thru 6)	9	3,428,700	16,061,909	361,763,271
PURCHASED POWER				
8. TOTAL PURCHASED POWER			1,273,068	41,002,860
INTERCHANGED POWER				
9. Received Into System (Gross)			426,195	3,787,911
10. Delivered Out of System (Gross)			438,414	3,749,871
11. Net Interchange (Line 9 minus 10)			(12,219)	38,040
TRANSMISSION FOR OR BY OTHERS - (WHEELING)				
12. Received Into System			5,742	248,105
13. Delivered Out of System			5,742	248,105
14. Net Energy Wheeled (Line 12 minus 13)			0	0
15. TOTAL Energy Available for Sale (Sum of lines 7 + 8 + 11 + 14)			17,322,758	
DISTRIBUTION OF ENERGY				
16. TOTAL Sales			16,558,554	
17. Energy Furnished to Others Without Charge			0	
18. Energy Used by Borrower (Excluding Station Use)			0	
19. TOTAL Energy Accounted For (Sum of lines 16 thru 18)			16,558,554	
LOSSES				
20. Energy Losses - MWh (Line 15 minus 19)			764,204	
21. Energy Losses - Percentage ((Line 20 divided by line 15) * 100)			4.41	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT - STEAM PLANT	BORROWER DESIGNATION	ND0045
	PLANT	Laramie River (Borrower Share)
	PERIOD ENDED	12/2002
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. ailed instructions, see RUS Bulletin 1717B-3.		This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.

Section A. Boilers/Turbines

Unit No. (a)	Times Started (b)	Fuel Consumption Coal (1000 lbs) (c)	Fuel Consumption Oil (1000 gals) (d)	Fuel Consumption Gas (1000 C.F.) (e)	Fuel Consumption Other (f)	Fuel Consumption Total (g)	Operating Hours In Service (h)	Operating Hours On Standby (i)	Operating Hours Out of Service Scheduled (j)	Operating Hours Out of Service Unscheduled (k)
1	10	2,236,021.00	157.50	0.00	0.00		8,133	0	225	402
2	7	2,312,585.00	125.60	0.00	0.00		8,381	0	324	55
3	6	1,895,504.00	108.50	0.00	0.00		6,905	0	1,629	226
Total	23	6,444,110.00	391.60	0.00	0.00		23,419	0	2,178	683
Average BTU		8,314.00	140,000.00	0.00	0.00					
Total BTU (10 ⁶)		53,576,331.00	54,824.00	0.00	0.00	53,631,155.00				
Total Del. Cost (\$)		7.72	0.87	0.00	0.00					

Unit No. (a)	Size (kw) (m)	Gross Gen. (MWh) (n)	BTU Per kWh (o)
1	570,000	392,867.0	
2	570,000	2,802,626.0	
3	570,000	2,268,202.0	
Total	***,***	5,463,695.0	9,815.91
Station Service (MWh)		337,831	
Net Generation (MWh)		5,125,864	10,462.85
Station Service (%)		6.18	

Section D. Cost of Net Energy Generated

Production Expense	Account Number	Amount (\$) (a)	Mills/Net/kWh (b)	\$/million BTU (c)
Operation, Supervision and Engineering	500	2,953,866		
Fuel, Coal	501.1	25,382,366		0.47
Fuel, Oil	501.2	319,262		5.82
4. Fuel, Gas	501.3	0		0.00
5. Fuel, Other	501.4	619,487		0.00
6. FUEL SUB-TOTAL (2 thru 5)	501	26,321,115	5.13	0.49
7. Steam Expenses	502	4,192,444		
8. Electric Expenses	505	2,040,736		
9. Miscellaneous Steam Power Expenses	506	2,376,721		
10. Allowances	509	0		
11. Rents	507	0		
12. NON-FUEL SUB-TOTAL (1 + 7 thru 11)		11,563,767	2.25	
13. OPERATION EXPENSE (6 + 12)		37,884,882	7.39	
14. Maintenance, Supervision and Engineering	510	3,189,015		
15. Maintenance of Structures	511	1,381,406		
16. Maintenance of Boiler Plant	512	13,688,429		
17. Maintenance of Electric Plant	513	1,527,372		
18. Maintenance of Miscellaneous Plant	514	1,232		
19. MAINTENANCE EXPENSE (14 thru 18)		19,787,454	3.86	
20. TOTAL PRODUCTION EXPENSE (13 + 19)		57,672,336	11.25	
21. Depreciation	403.1	13,259,659		
22. Interest	427	14,816,896		
23. TOTAL FIXED COSTS (21 + 22)		28,076,555	5.47	
24. POWER COSTS (20 + 23)		85,748,891	16.72	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT - STEAM PLANT	BORROWER DESIGNATION ND0045 PLANT Laramie River (Total Plant) PERIOD ENDED 12/2002
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. Detailed instructions, see RUS Bulletin 1717B-3.	
<i>This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.</i>	

Section A. Boilers/Turbines

Unit No. (a)	Times Started (b)	Fuel Consumption Coal (1000 lbs) (c)	Fuel Consumption Oil (1000 gals) (d)	Fuel Consumption Gas (1000 C.F.) (e)	Fuel Consumption Other (f)	Fuel Consumption Total (g)	Operating Hours In Service (h)	Operating Hours On Standby (i)	Operating Hours Out of Service Scheduled	Operating Hours Out of Service Unscheduled
1	10	5,519,308.00	355,232.00	0.00	0.00		8,133	0	225	402
2	7	5,653,698.00	335,142.00	0.00	0.00		8,381	0	324	55
3	6	4,557,202.00	254,089.00	0.00	0.00		6,905	0	1,629	226
Total	23	15,730,208.00	944,463.00	0.00	0.00		23,419	0	2,178	683
Average BTU		8,314.28	140.00	0.00	0.00					
Total BTU (10⁶)		130,785,361.00	132,225.00	0.00	0.00	130,917,586.00				
Total Del. Cost (\$)		7.72	0.87	0.00	0.00					

Unit No. (a)	Size (kw) (m)	Gross Gen. (MWh) (n)	BTU Per kWh (o)
1	570,000	4,621,201.0	
2	570,000	4,756,877.0	
3	570,000	3,845,287.0	
Total	*** **	13,223,365.0	9,900.47
Station Service (MWh)		825,112	
Net Generation (MWh)		12,398,253	10,559.35
Station Service (%)		6.23	

Section B. Labor Report

1. No. Employees Full-Time (Incl. Superintendent)	304	2. No. Employees Part-Time	0	3. Total Empl. - Hrs. Worked	686,312	4. Oper. Plant Payroll (\$)	10,732,990
5. Maint. Plant Payroll (\$)	8,645,857	6. Other Accts. Plant Payroll (\$)	167,326	7. Total Plant Payroll (\$)		19,546,173	

Section C. Factors & Max. Demand

1. Load Factor (%)	84.89	2. Plant Factor (%)	88.27	3. Running Plant Capacity Factor (%)	33.02
4. 15 Minute Gross Maximum Demand (kW)	1,778,000	5. Indicated Gross Maximum Demand (kW)		0	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT - STEAM PLANT	BORROWER DESIGNATION ND0045 PLANT Antelope Valley (Total Plant) PERIOD ENDED 12/2002
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. Detailed instructions, see RUS Bulletin 1717B-3.	<i>This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.</i>

Section A. Boilers/Turbines

Unit No. (a)	Times Started (b)	Fuel Consumption Coal (1000 lbs) (c)	Fuel Consumption Oil (1000 gals) (d)	Fuel Consumption Gas (1000 C.F.) (e)	Fuel Consumption Other (f)	Fuel Consumption Total (g)	Operating Hours In Service (h)	Operating Hours On Standby (i)	Operating Hours Out of Service Scheduled (j)	Operating Hours Out of Service Unscheduled (k)
1	12	5,028,974.00	216.00	0.00	0.00		7,475	0	1,196	89
2	4	5,666,230.00	205.40	0.00	0.00		8,467	0	227	66
Total	16	10,695,204.00	421.40	0.00	0.00		15,942	0	1,423	155
Average BTU		6,170.27	140,009.49	0.00	0.00					
Total BTU (10⁶)		65,992,391.00	59,000.00	0.00	0.00	66,051,391.00				
Total Del. Cost (\$)		9.43	0.84	0.00	0.00					

Unit No. (a)	Size (kw) (m)	Gross Gen. (MWh) (n)	BTU Per kWh (o)
1	435,000	3,170,448.0	
2	435,000	3,604,324.0	
Total	870,000	6,774,772.0	9,749.61
Station Service (MWh)		457,522	
Net Generation (MWh)		6,317,250	10,455.71
Station Service (%)		6.75	

Section B. Labor Report

1. No. Employees Full-Time (Incl. Superintendent)	187	2. No. Employees Part-Time	0	3. Total Empl. - Hrs. Worked	433,791	4. Oper. Plant Payroll (\$)	6,623,506
5. Maint. Plant Payroll (\$)	5,056,753	6. Other Accts. Plant Payroll (\$)	164,233	7. Total Plant Payroll (\$)		11,844,492	

Section C. Factors & Max. Demand

Load Factor (%)	82.36	2. Plant Factor (%)	88.89	3. Running Plant Capacity Factor (%)	97.69
4. 15 Minute Gross Maximum Demand (kW)	939,000	5. Indicated Gross Maximum Demand (kW)			0

Section D. Cost of Net Energy Generated

Production Expense	Account Number	Amount (\$) (a)	Mills/Net/kWh (b)	\$/million BTU (c)
1. Operation, Supervision and Engineering	500	5,068,292		
2. Fuel, Coal	501.1	50,634,625		0.76
3. Fuel, Oil	501.2	322,637		5.46
4. Fuel, Gas	501.3	0		0.00
5. Fuel, Other	501.4	1,969,336		0.00
6. FUEL SUB-TOTAL (2 thru 5)	501	52,926,598	8.37	0.80
7. Steam Expenses	502	10,127,265		
8. Electric Expenses	505	2,116,199		
9. Miscellaneous Steam Power Expenses	506	6,104,653		
10. Allowances	509	0		
11. Rents	507	40,870,050		
12. NON-FUEL SUB-TOTAL (1 + 7 thru 11)		64,286,459	10.17	
13. OPERATION EXPENSE (6 + 12)		117,213,057	18.55	
14. Maintenance, Supervision and Engineering	510	5,720,547		
15. Maintenance of Structures	511	2,429,334		
16. Maintenance of Boiler Plant	512	12,428,852		
17. Maintenance of Electric Plant	513	4,146,334		
18. Maintenance of Miscellaneous Plant	514	704		
19. MAINTENANCE EXPENSE (14 thru 18)		24,725,771	3.91	
20. TOTAL PRODUCTION EXPENSE (13 + 19)		141,938,828	22.46	
21. Depreciation	403.1	19,980,678		
22. Interest	427	24,776,233		
23. TOTAL FIXED COSTS (21 + 22)		44,756,911	7.08	
POWER COSTS (20 + 23)		186,695,739	29.55	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT - STEAM PLANT						BORROWER DESIGNATION ND0045 PLANT Leland Olds (Total Plant) PERIOD ENDED 12/2002					
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. Detailed instructions, see RUS Bulletin 1717B-3.						This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.					

Section A. Boilers/Turbines										
Unit No. (a)	Times Started (b)	Fuel Consumption Coal (1000 lbs) (c)	Fuel Consumption Oil (1000 gals) (d)	Fuel Consumption Gas (1000 C.F.) (e)	Fuel Consumption Other (f)	Fuel Consumption Total (g)	Operating Hours In Service (h)	Operating Hours On Standby (i)	Operating Hours Out of Service Scheduled	Operating Hours Out of Service Unscheduled
1	10	2,535,024.00	170.70	0.00	0.00		8,436	0	291	33
2	22	4,877,914.00	330.20	0.00	0.00		7,962	0	527	271
Total	32	7,412,938.00	500.90	0.00	0.00		16,398	0	818	304
Average BTU		7,003.13	139,982.03	0.00	0.00					
Total BTU (10⁶)		51,913,778.00	70,117.00	0.00	0.00	51,983,895.00				
Total Del. Cost (\$)		11.42	0.87	0.00	0.00					

Unit No. (a)	Size (kw) (m)	Gross Gen. (MWh) (n)	BTU Per kWh (o)
1	216,000	1,684,320.0	
2	440,000	3,207,740.0	
Total	656,000	4,892,060.0	10,626.17
Station Service (MWh)		315,075	
Net Generation (MWh)		4,576,985	11,357.67
Station Service (%)		6.44	

Section B. Labor Report					
1. No. Employees Full-Time (Incl. Superintendent)	121	2. No. Employees Part-Time	1	3. Total Empl. - Hrs. Worked	265,277
5. Maint. Plant Payroll (\$)		2,825,987	6. Other Accts. Plant Payroll (\$)		125,889
		7. Total Plant Payroll (\$)		7,505,577	

Section C. Factors & Max. Demand			
1. Load Factor (%)	78.65	2. Plant Factor (%)	85.13
3. Running Plant Capacity Factor (%)		91.86	
4. 15 Minute Gross Maximum Demand (kW)		710,000	
5. Indicated Gross Maximum Demand (kW)		0	

Section D. Cost of Net Energy Generated				
Production Expense	Account Number	Amount (\$) (a)	Mills/Net/kWh (b)	\$/million BTU (c)
1. Operation, Supervision and Engineering	500	3,946,709		
2. Fuel, Coal	501.1	43,947,881		0.84
3. Fuel, Oil	501.2	407,157		5.80
4. Fuel, Gas	501.3	0		0.00
5. Fuel, Other	501.4	1,784,398		0.00
6. FUEL SUB-TOTAL (2 thru 5)	501	46,139,436	10.08	0.88
7. Steam Expenses	502	2,069,982		
8. Electric Expenses	505	845,681		
9. Miscellaneous Steam Power Expenses	506	5,551,851		
10. Allowances	509	822,500		
11. Rents	507	0		
12. NON-FUEL SUB-TOTAL (1 + 7 thru 11)		13,236,723	2.89	
13. OPERATION EXPENSE (6 + 12)		59,376,159	12.97	
14. Maintenance, Supervision and Engineering	510	3,913,692		
15. Maintenance of Structures	511	907,974		
16. Maintenance of Boiler Plant	512	6,037,743		
17. Maintenance of Electric Plant	513	1,128,980		
18. Maintenance of Miscellaneous Plant	514	1,337,054		
19. MAINTENANCE EXPENSE (14 thru 18)		13,325,443	2.91	
20. TOTAL PRODUCTION EXPENSE (13 + 19)		72,701,602	15.88	
21. Depreciation	403.1	7,083,257		
22. Interest	427	5,058,032		
23. TOTAL FIXED COSTS (21 + 22)		12,141,289	2.65	
WER COSTS (20 + 23)		84,842,891	18.53	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT - INTERNAL COMBUSTION PLANT						BORROWER DESIGNATION ND0045 PLANT Spirit Mound (Total Plant) PERIOD ENDED 12/2002						
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. Detailed instructions, see RUS Bulletin 1717B-3.						This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.						
Section A. Internal Combustion Generating Units												
Unit No.	Size (kW)	Fuel Consumption Oil (1000 gals)	Fuel Consumption Gas (1000 C.F.)	Fuel Consumption Other	Fuel Consumption Total	Operating Hours In Service	Operating Hours On Standby	Operating Hours Out of Service Scheduled	Operating Hours Out of Service Unscheduled	Gross Generation (MWh)	BTU Per kWh	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)			(k)	(l)	
1	60,000	69	0	0		15	7,777	968	0	656		
2	60,000	56	0	0		13	7,680	872	195	505		
Total	120,000	125	0	0		28	15,457	1,840	195	1,161	15,013.5	
Average BTU		138,594.99	0.00	0.00		Station Service (MWh)				10		
Total BTU (10⁶)		17,435	0	0	17,435	Net Generation (MWh)				1,151.0	15,147.9	
Total Del. Cost (\$)		0	0	0		Station Service % of Gross				0.88		
Section B. Labor Report												
1. No. Employees Full-Time (Incl. Superintendent)		2	2. No. Employees Part-Time		2	3. Total Empl. - Hrs. Worked		6,482	4. Oper. Plant Payroll (\$)		115,449	
5. Maint. Plant Payroll (\$)		42,806	6. Other Accts. Plant Payroll (\$)		1,000	7. Total Plant Payroll (\$)		159,255				
Section C. Factors & Max. Demand												
1. Load Factor (%)		0.11	2. Plant Factor (%)		0.11	3. Running Plant Capacity Factor (%)				69.12		
4. 15 Minute Gross Maximum Demand (kW)					117,000	5. Indicated Gross Maximum Demand (kW)					0	
Section D. Cost of Net Energy Generated												
Production Expense		Account Number	Amount (\$)	Mills/Net kWh	\$/million BTU							
			(a)	(b)	(c)							
1. Operation, Supervision and Engineering		546	153,738									
2. Fuel, Oil		547.1	92,979		5.33							
3. Fuel, Gas		547.2	0		0.00							
4. Fuel, Other		547.3	0		0.00							
5. Energy for Compressed Air		547.4	0	0.00								
6. FUEL SUBTOTAL (2 thru 5)		547	92,979	5.33	5.33							
7. Generation Expenses		548	21,742									
8. Miscellaneous Other Power Generation		549	349,213									
9. Rents		550	0									
10. NON-FUEL SUBTOTAL (1+7 thru 9)			524,693	455.85								
11. OPERATION EXPENSE (6+10)			617,672	536.63								
12. Maintenance, Supervision and Engineering		551	2,091									
13. Maintenance of Structures		552	49,946									
14. Maintenance of Generating and Electric Plant		553	64,494									
15. Maintenance of Miscellaneous Other Power		554	0									
16. MAINTENANCE EXPENSE (12 thru 15)			116,531	101.24								
17. TOTAL PRODUCTION EXPENSE (11+16)			734,203	637.88								
18. Depreciation		403.4	875,862									
19. Interest		427	529,080									
20. TOTAL FIXED COST (18+19)			1,404,942	1,220.62								
21. POWER COST (17+20)			2,139,145	1,858.51								

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT - INTERNAL COMBUSTION PLANT						BORROWER DESIGNATION ND0045 PLANT Hartzog (Total Plant) PERIOD ENDED 12/2002					
ACTIONS - Submit an original and two copies to RUS or file electronically. Detailed instructions, see RUS Bulletin 1717B-3.						This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.					
Section A. Internal Combustion Generating Units											
Unit No.	Size (kW)	Fuel Consumption Oil (1000 gals)	Fuel Consumption Gas (1000 C.F.)	Fuel Consumption Other	Fuel Consumption Total	Operating Hours In Service	Operating Hours On Standby	Operating Hours Out of Service Scheduled	Operating Hours Out of Service Unscheduled	Gross Generation (MWh)	BTU Per kWh
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)			(k)	(l)
1	7,500	0	68,667	0		829	7,931	0	0	5,339	
2	7,500	0	71,186	0		836	7,924	0	0	5,535	
3	7,500	0	68,893	0		716	8,044	0	0	5,349	
Total	22,500	0	208,746	0		2,381	23,899	0	0	16,223	12,352.5
Average BTU		0.00	959.99	0.00		Station Service (MWh)				76	
Total BTU (10⁶)		0	200,396	0	200,396	Net Generation (MWh)				16,147.0	12,410.7
Total Del. Cost (\$)		0	3	0		Station Service % of Gross				0.46	
Section B. Labor Report											
1. No. Employees Full-Time (Incl. Superintendent)		1		2. No. Employees Part-Time		0		3. Total Empl. - Hrs. Worked		1,112	
5. Maint. Plant Payroll (\$)		0		6. Other Accts. Plant Payroll (\$)		0		7. Total Plant Payroll (\$)		42,660	
Section C. Factors & Max. Demand											
1. Load Factor (%)		11.43		2. Plant Factor (%)		8.23		3. Running Plant Capacity Factor (%)		90.84	
4. 15 Minute Gross Maximum Demand (kW)		16,200		5. Indicated Gross Maximum Demand (kW)						0	
Section D. Cost of Net Energy Generated											
Production Expense		Account Number	Amount (\$)	Mills/Net/kWh	\$/million BTU						
			(a)	(b)	(c)						
1. Operation, Supervision and Engineering		546	59,422								
Oil		547.1	0		0.00						
Gas		547.2	282,513		1.40						
Fuel, Other		547.3	0		0.00						
5. Energy for Compressed Air		547.4	0	0.00							
6. FUEL SUBTOTAL (2 thru 5)		547	282,513	1.40	1.40						
7. Generation Expenses		548	0								
8. Miscellaneous Other Power Generation		549	162,729								
9. Rents		550	0								
10. NON-FUEL SUBTOTAL (1+7 thru 9)			222,151	13.75							
11. OPERATION EXPENSE (6+10)			504,664	31.25							
12. Maintenance, Supervision and Engineering		551	0								
13. Maintenance of Structures		552	1,778								
14. Maintenance of Generating and Electric Plant		553	13,386								
15. Maintenance of Miscellaneous Other Power		554	0								
16. MAINTENANCE EXPENSE (12 thru 15)			15,164	0.93							
17. TOTAL PRODUCTION EXPENSE (11+16)			519,828	32.19							
18. Depreciation		403.4	297,089								
19. Interest		427	(106)								
20. TOTAL FIXED COST (18+19)			296,983	18.39							
21. POWER COST (17+20)			816,811	50.58							

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT - INTERNAL COMBUSTION PLANT	BORROWER DESIGNATION ND0045 PLANT Arvada (Total Plant) PERIOD ENDED 12/2002
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. Detailed instructions, see RUS Bulletin 1717B-3.	This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.

Section A. Internal Combustion Generating Units

Unit No.	Size (kW)	Fuel Consumption Oil (1000 gals)	Fuel Consumption Gas (1000 C.F.)	Fuel Consumption Other	Fuel Consumption Total	Operating Hours In Service	Operating Hours On Standby	Operating Hours Out of Service Scheduled	Operating Hours Out of Service Unscheduled	Gross Generation (MWh)	BTU Per kWh
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)			(k)	(l)
1	7,500	0	62,101	0		750	8,010	0	0	4,622	
2	7,500	0	56,519	0		638	8,122	0	0	4,185	
3	7,500	0	62,091	0		753	8,007	0	0	4,621	
Total	22,500	0	180,711	0		2,141	24,139	0	0	13,428	12,919.4
Average BTU		0.00	960.00	0.00		Station Service (MWh)				83	
Total BTU (10⁶)		0	173,483	0	173,483	Net Generation (MWh)				13,345.0	12,999.8
Total Del. Cost (\$)		0	3	0		Station Service % of Gross				0.61	

Section B. Labor Report

1. No. Employees Full-Time (Incl. Superintendent)	0	2. No. Employees Part-Time	0	3. Total Empl. - Hrs. Worked	0	4. Oper. Plant Payroll (\$)	0
5. Maint. Plant Payroll (\$)	0	6. Other Accts. Plant Payroll (\$)	0	7. Total Plant Payroll (\$)			0

Section C. Factors & Max. Demand

1. Load Factor (%)	8.96	2. Plant Factor (%)	6.81	3. Running Plant Capacity Factor (%)	83.62
4. 15 Minute Gross Maximum Demand (kW)	17,100	5. Indicated Gross Maximum Demand (kW)			0

Section D. Cost of Net Energy Generated

Production Expense	Account Number	Amount (\$)	Mills/Net/kWh	\$/million BTU
		(a)	(b)	(c)
1. Operation, Supervision and Engineering	546	59,648		
2. Fuel, Oil	547.1	0		0.00
3. Gas	547.2	146,912		0.84
4. Other	547.3	0		0.00
5. Energy for Compressed Air	547.4	0	0.00	
6. FUEL SUBTOTAL (2 thru 5)	547	146,912	0.84	0.84
7. Generation Expenses	548	0		
8. Miscellaneous Other Power Generation	549	163,746		
9. Rents	550	0		
10. NON-FUEL SUBTOTAL (1+7 thru 9)		223,394	16.73	
11. OPERATION EXPENSE (6+10)		370,306	27.74	
12. Maintenance, Supervision and Engineering	551	0		
13. Maintenance of Structures	552	1,777		
14. Maintenance of Generating and Electric Plant	553	39,021		
15. Maintenance of Miscellaneous Other Power	554	0		
16. MAINTENANCE EXPENSE (12 thru 15)		40,798	3.05	
17. TOTAL PRODUCTION EXPENSE (11+16)		411,104	30.80	
18. Depreciation	403.4	239,068		
19. Interest	427	0		
20. TOTAL FIXED COST (18+19)		239,068	17.91	
21. POWER COST (17+20)		650,172	48.72	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT - INTERNAL COMBUSTION PLANT						BORROWER DESIGNATION ND0045 PLANT Barber Creek (Total Plant) PERIOD ENDED 12/2002						
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. Detailed instructions, see RUS Bulletin 1717B-3.						This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.						
Section A. Internal Combustion Generating Units												
Unit No.	Size (kW)	Fuel Consumption Oil (1000 gals)	Fuel Consumption Gas (1000 C.F.)	Fuel Consumption Other	Fuel Consumption Total	Operating Hours In Service	Operating Hours On Standby	Operating Hours Out of Service Scheduled	Operating Hours Out of Service Unscheduled	Gross Generation (MWh)	BTU Per kWh	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)			(k)	(l)	
1	7,500	0	40,915	0		584	8,176	0	0	3,152		
2	7,500	0	25,405	0		227	8,533	0	0	1,958		
3	7,500	0	39,292	0		582	8,178	0	0	3,028		
Total	22,500	0	105,612	0		1,393	24,887	0	0	8,138	12,458.5	
Average BTU		0.00	960.00	0.00		Station Service (MWh)				70		
Total BTU (10⁶)		0	101,388	0	101,388	Net Generation (MWh)				8,068.0	12,566.6	
Total Del. Cost (\$)		0	3	0		Station Service % of Gross				0.86		
Section B. Labor Report												
1. No. Employees Full-Time (Incl. Superintendent)		0		2. No. Employees Part-Time		0		3. Total Empl. - Hrs. Worked		0		
5. Maint. Plant Payroll (\$)		0		6. Other Accts. Plant Payroll (\$)		0		7. Total Plant Payroll (\$)		0		
Section C. Factors & Max. Demand												
1. Load Factor (%)		5.46		2. Plant Factor (%)		4.12		3. Running Plant Capacity Factor (%)		77.89		
4. 15 Minute Gross Maximum Demand (kW)				17,000				5. Indicated Gross Maximum Demand (kW)				0
Section D. Cost of Net Energy Generated												
Production Expense		Account Number	Amount (\$)	Mills/Net/kWh	\$/million BTU							
			(a)	(b)	(c)							
1. Operation, Supervision and Engineering		546	59,415									
Oil		547.1	0		0.00							
Gas		547.2	108,859		1.07							
Other		547.3	0		0.00							
5. Energy for Compressed Air		547.4	0	0.00								
6. FUEL SUBTOTAL (2 thru 5)		547	108,859	1.07	1.07							
7. Generation Expenses		548	0									
8. Miscellaneous Other Power Generation		549	162,441									
9. Rents		550	0									
10. NON-FUEL SUBTOTAL (1+7 thru 9)			221,856	27.49								
11. OPERATION EXPENSE (6+10)			330,715	40.99								
12. Maintenance, Supervision and Engineering		551	0									
13. Maintenance of Structures		552	1,777									
14. Maintenance of Generating and Electric Plant		553	39,021									
15. Maintenance of Miscellaneous Other Power		554	0									
16. MAINTENANCE EXPENSE (12 thru 15)			40,798	5.05								
17. TOTAL PRODUCTION EXPENSE (11+16)			371,513	46.04								
18. Depreciation		403.4	239,068									
19. Interest		427	(106)									
20. TOTAL FIXED COST (18+19)			238,962	29.61								
21. POWER COST (17+20)			610,475	75.66								

UNITED STATES DEPARTMENT OF AGRICULTURE FEDERAL CREDIT ADMINISTRATION RURAL UTILITIES SERVICE		BORROWER DESIGNATION ND0045			
OPERATING REPORT - FINANCIAL		PERIOD ENDED 12/2002			
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. For detailed instructions, see RUS Bulletin 1717B-3.		This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.			
12h - Section A. Utility Plant					
Item	Balance Beginning of Year	Additions	Retirements	Adjustments and Transfers	Balance End of Year
1. Total Intangible Plant (301 thru 303)	61,130,445	0	0	0	61,130,445
2. Total Steam Production Plant (310 thru 316)	1,506,953,145	91,276,958	1,305,005	0	1,596,925,098
3. Total Nuclear Production Plant (320 thru 325)	0	0	0	0	0
4. Total Hydro Production Plant (330 thru 336)	0	0	0	0	0
5. Total Other Production Plant (340 thru 346)	24,220,781	47,421,507	537,024	0	71,105,264
6. Total Production Plant (2 thru 5)	1,531,173,926	138,698,465	1,842,029	0	1,668,030,362
7. Land and Land Rights (350)	16,286,910	292,500	0	0	16,579,410
8. Structures and Improvements (352)	9,620,801	20,000	0	0	9,640,801
9. Station Equipment (353)	117,228,311	2,936,802	72,393	0	120,092,720
10. Other Transmission Plant (354 thru 359)	275,310,226	824,825	0	0	276,135,051
11. Total Transmission Plant (7 thru 10)	418,446,248	4,074,127	72,393	0	422,447,982
12. Land and Land Rights (360)	0	0	0	0	0
13. Structures and Improvements (361)	0	0	0	0	0
14. Station Equipment (362)	0	0	0	0	0
15. Other Distribution Plant (363 thru 373)	0	0	0	0	0
16. Total Distribution Plant (12 thru 15)	0	0	0	0	0
17. Total General Plant (389 thru 399)	94,872,347	6,988,918	2,959,759	145,309	99,046,815
18. Electric Plant in Service (1+6+11+16+17)	2,105,622,966	149,761,510	4,874,181	145,309	2,250,655,604
19. Electric Plant Purchased or Sold (102)	0	0	0	0	0
20. Electric Plant Leased to Others (104)	0	0	0	0	0
21. Electric Plant Held for Future use (105)	0	0	0	0	0
22. Completed Construction Not Classified (106)	0	0	0	0	0
23. Acquisition Adjustments (114)	0	0	0	0	0
24. Other Utility Plant (118)	0	0	0	0	0
25. Nuclear Fuel Assemblies (120.1 thru 120.4)	0	0	0	0	0
26. Total Utility Plant in Service (18 thru 25)	2,105,622,966	149,761,510	4,874,181	145,309	2,250,655,604
27. Construction Work in Progress (107)	47,210,784	149,286,244	0	(149,761,511)	46,735,517
28. Total Utility Plant (26+27)	2,152,833,750	299,047,754	4,874,181	(149,616,202)	2,297,391,121

OPERATING REPORT - FINANCIAL

PERIOD ENDED

12/2002

INSTRUCTIONS - Submit an original and two copies to RUS or file electronically.
For detailed instructions, see RUS Bulletin 1717B-3.*This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.***12h - Section B. Accumulated Provision for Depreciation and Amortization - Utility Plant**

Item	Comp Rate (%)	Balance Beginning of Year	Annual Accruals	Retirement Less Net Salvage	Adjustments and Transfers	Balance End Of Year
1. Depr. of Steam Prod. Plant (108.1)	0.00	713,665,368	38,876,912	578,753	0	751,963,527
2. Depr. of Nuclear Prod. Plant (108.2)	0.00	0	0	0	0	0
3. Depr. of Hydraulic Prod. Plant (108.3)	0.00	0	0	0	0	0
4. Depr. of Other Prod. Plant (108.4)	0.00	16,217,071	1,396,814	151,912	0	17,461,973
5. Depr. of Transmission Plant (108.5)	0.00	180,767,887	8,991,788	20,697	0	189,738,978
6. Depr. of Distribution Plant (108.6)	0.00	0	0	0	0	0
7. Depr. of General Plant (108.7)		64,745,147	2,292,550	(279,923)	0	67,317,620
8. Retirement Work in Progress (108.8)		0	0	0	0	0
9. Total Depr. for Elec. Plant in Serv. (1-8)		975,395,473			0	1,026,482,098
10. Depr. of Plant Leased to Others (109)	0.00	0	0	0	0	0
11. Depr. of Plant Held for Future Use (110)	0.00	0	0	0	0	0
12. Amort. of Elec. Plant in Service (111)	0.00	30,535,598	1,601,245	0	0	32,136,843
13. Amort. of Leased Plant (112)	0.00	0	0	0	0	0
14. Amort. of Plant Held for Future Use	0.00	0	0	0	0	0
15. Amort. of Acquisition Adj. (115)	0.00	0	0	0	0	0
16. Depr. & Amort. Other Plant (119)	0.00	0	0	0	0	0
17. Amort. of Nuclear Fuel (120.5)	0.00	0	0	0	0	0
18. Total Prov. for Depr. & Amort. (9-17)		1,005,931,071	53,159,309	471,439	0	1,058,618,941
19. Amount of Annual Accrual Charged to						0
20. Amount of Annual Accrual Charged to Other						0
21. Book Cost of Property Retired						949,984
22. Removal Cost of Property Retired						25,785
23. Salvage Material from Property Retired						504,330
24. Renewal and Replacement Cost						0

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT - ANNUAL SUPPLEMENT	BORROWER DESIGNATION ND0045 PERIOD ENDED 12/2002
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. For detailed instructions, see RUS Bulletin 1717B-3.	<i>This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.</i>

Section C. Nonutility Plant

Item	Balance Beginning of Year (a)	Additions (b)	Retirements (c)	Adjustments and Transfers (d)	Balance End of Year (e)
1. NONUTILITY PROPERTY (121)	762,040	0	422,200	0	339,840
2. PROVISION FOR DEPR. & AMORT. (122)	762,040	0	422,200	0	339,840

Section D. Demand and Energy at Power Sources

Month	Peak Demand (MW)	Monthly Peaks Date - Time	Monthly Peaks Type of Reading	Energy Output (MWh)
1. JANUARY	0			0
2. FEBRUARY	0			0
3. MARCH	0			0
4. APRIL	0			0
5. MAY	0			0
6. JUNE	0			0
7. JULY	0			0
8. AUGUST	0			0
9. SEPTEMBER	0			0
10. OCTOBER	0			0
11. NOVEMBER	0			0
12. DECEMBER	0			0
13. ANNUAL PEAK/TOTAL	0			0

Section E. Demand and Energy at Delivery Points

Month	Delivered to RUS Borrowers Demand (MW)	Delivered to RUS Borrowers Energy (MWh)	Delivered to Others Demand (MW)	Delivered to Others Energy (MWh)	Total Delivered Demand (MW)	Total Delivered Energy (MWh)
1. JANUARY	1,110	674,833	742	844,644	1,852	1,519,477
2. FEBRUARY	1,113	559,106	758	812,014	1,871	1,371,120
3. MARCH	1,101	674,906	753	832,118	1,854	1,507,024
4. APRIL	1,007	525,288	784	654,427	1,791	1,179,715
5. MAY	1,098	591,938	706	450,223	1,804	1,042,161
6. JUNE	1,362	661,489	784	498,419	2,146	1,159,908
7. JULY	1,376	831,611	788	712,694	2,164	1,544,305
8. AUGUST	1,314	735,151	756	622,089	2,070	1,357,240
9. SEPTEMBER	1,235	596,526	738	778,795	1,973	1,375,321
10. OCTOBER	1,211	686,361	676	723,619	1,887	1,409,980
11. NOVEMBER	1,145	713,120	739	832,279	1,884	1,545,399
12. DECEMBER	1,133	708,801	738	838,103	1,871	1,546,904
13. PEAK OR TOTAL	1,376	7,959,130	788	8,599,424	2,164	16,558,554

**OPERATING REPORT -
ANNUAL SUPPLEMENT**

PERIOD ENDED

12/2002

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12h - Section F. Investments, Loan Guarantees and Loans - Power Supply: Part I - Investments

Line No.	Description (a)	Included (\$) (b)	Excluded (\$) (c)	Income or Loss (\$) (d)	Rural Development (e)
2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS					
1	Power supply cooperatives patronage	0	4,477,949	448,827	
2	Rocky Mountain Generation Cooperative patronage	0	375,216	0	
3	Touchstone Energy patronage	0	4,028	0	
4	Telephone/telecommunications cooperatives patronage	0	222,222	51,563	
5	National Information Solutions Cooperative patronage	0	4,575	0	
6	Basin Cooperative Services patronage	0	5,626,308	97,126	
7	SD Wheat Growers Association patronage	0	98	0	
8	Western Fuels patronage	0	760,147	0	
9	National Information Solutions Cooperative membership	0	50	0	
10	Rocky Mountain Generation Cooperative membership	0	15,210	0	
11	Power supply cooperatives memberships	0	153	0	
12	NRUCFC membership	0	1,000	0	
13	Western Fuels membership	0	1,000	0	
14	National Rural Telecommunications Cooperative membership	0	1,000	0	
15	Dry Fork	0	11,507,410	1,083,582	
16	Western Fuels equipment advance	0	440,378	28,735	
17	Dakota Gasification Company stock	19,537,107	0	0	
18	Dakota Gasification Company note	148,421,524	0	7,844,111	
19	Dakota Coal Company stock	457,430	542,570	0	
20	Dakota Coal Company notes	47,165,433	43,751,868	4,277,487	
21	Basin Cooperative Services membership	0	10,000	0	
22	Basin Cooperative Services stock	0	3,940,000	0	
23	Basin Telecommunications Incorporated stock	3,306,728	0	0	
24	Basin Telecommunications Incorporated note	50,000	0	8	
25	Granite Peak stock	104,081	0	0	
26	Dakota Funding Corporation membership	1,000	0	0	
27	Capital term certificates	0	2,523,777	126,189	
28	Dakota Coal Company subsidiary earnings	0	35,495,788	(6,139,282)	
29	Dakota Gasification Company subsidiary earnings	0	189,637,540	4,294,188	
30	Basin Telecommunications Incorporated subsidiary earnings	0	(3,027,982)	(157,416)	
31	Granite Peak subsidiary earnings	0	(3,058)	8,491	
Total: 2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS		219,043,303	296,307,247	11,963,609	
4. OTHER INVESTMENTS					
32	Farmers Union Oil companies patronage	0	188,062	0	
33	Jefferson Pilot Financial	6,127,963	0	738,489	
34	Power River Energy Corporation patronage	0	1,150,935	0	
35	Skyland	148,077	0	0	
36	National Information Solutions Cooperative	1,200,000	0	22,932	
37	US Bank	0	357,455	3,098	
38	CoBank	0	20,205,883	1,206,377	
39	Rocky Mountain Oasis	25,368	0	0	
40	RESCO	0	844	0	
41	Desert Star	20,000	0	(15,000)	

**OPERATING REPORT -
ANNUAL SUPPLEMENT**

PERIOD ENDED

12/2002

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Line No.	Description (a)	Included (\$) (b)	Excluded (\$) (c)	Income or Loss (\$) (d)	Rural Development (e)
42	Coteau Note #8	0	646,563	115,054	
43	Coteau Secondary Crusher	0	1,061,197	0	
44	Antelope Valley Station Prepaid Royalties	0	26,623,274	0	
45	Enpower	0	0	(250,000)	
46	Connexions	0	0	(43,072)	
Total: 4. OTHER INVESTMENTS		7,521,408	50,234,213	1,777,878	
5. SPECIAL FUNDS					
47	Employee deferred compensation	0	3,961,203		
48	Director deferred compensation	0	711,491		
49	Laramie River Station operating fund	0	6,763,200		
50	Corn Creek	0	1,662,606		
51	Long-term intercompany accounts receivable	0	6,316,478		
Total: 5. SPECIAL FUNDS		0	19,414,978		
6. CASH - GENERAL					
52	Cash-General Funds	0	50,145		
Total: 6. CASH - GENERAL		0	50,145		
7. SPECIAL DEPOSITS					
53	United Parcel Services	0	1,273		
54	Western Area Power Association	0	7,500		
Total: 7. SPECIAL DEPOSITS		0	8,773		
8. TEMPORARY INVESTMENTS					
55	Bank of North Dakota repurchase agreement	0	14,300,000		
56	Chase Manhattan bank deposit	0	5,080,000		
57	Corporate commercial paper	0	34,968,776		
58	Federal National Mortgage Association (FNMA)	0	15,037,656		
59	Federal Home Loan Bank (FHLB)	0	25,776,650		
60	Union State Bank-Hazen, ND C.D.	0	100,000		
Total: 8. TEMPORARY INVESTMENTS		0	95,263,082		
9. ACCOUNTS & NOTES RECEIVABLE - NET					
61	Intercompany accounts receivable	0	4,862,891	0	
62	Laramie River Station participant billing	0	7,097,853	0	
63	Internal Revenue Service receivable	0	17,205,684	0	
64	Other accounts receivable	247,773	3,917,230	9,527	
Total: 9. ACCOUNTS & NOTES RECEIVABLE - NET		247,773	33,083,658	9,527	
65					
66					
67					
68					
69					
70					
71					
72					

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION ND0045	
OPERATING REPORT - ANNUAL SUPPLEMENT		PERIOD ENDED 12/2002	
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Line No.	Description (a)	Included (\$) (b)	Excluded (\$) (c)	Income or Loss (\$) (d)	Rural Development (e)
118					
119					
120					

11. TOTAL INVESTMENTS	226,812,484	494,362,096	13,751,014	
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OPERATING REPORT - ANNUAL SUPPLEMENT

PERIOD ENDED

12/2002

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12h - Section F. Investments, Loan Guarantees and Loans - Power Supply: Part II - Loan Guarantees & Ratio

Line No.	Organization (a)	Maturity date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Rural Development (e)
1	Surface Coal Mine-Self Bonding		43,774,227	18,114,228	
2	Dakota Coal Company Lease		42,824,739	17,658,078	
3	Dakota Gasification Company		50,000,000	50,000,000	
4	Dakota Gasificaion Company Agreement of Indemnity		131,000	131,000	
5	Rocky Mountain Generation Cooperative		1,836,000	1,836,000	
6			0	0	
7			0	0	
8			0	0	
9			0	0	
10			0	0	
TOTALS			138,565,966	87,739,306	
TOTAL (included Loan Guarantees only)			0	87,739,306	

Ratio of Investments and Loan Guarantees to Utility Plant [Total of Included Investments (Part I, 11b) and Loan Guarantees - Loan Balance (Part II, 5d) to Total Utility Plant (Form 12a, Section B, Line 3)]

13.69 %

**OPERATING REPORT -
ANNUAL SUPPLEMENT**

PERIOD ENDED
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12h - Section F. Investments, Loan Guarantees and Loans - Power Supply: Part IV - Loans

Line No.	Organization (a)	Maturity date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Rural Development (e)
1	Employees, Officers, Directors		0	194,886	
2	Energy Resource Conservation Loans		0	0	
3			0	0	
4			0	0	
5			0	0	
6			0	0	
7			0	0	
8			0	0	
9			0	0	
10			0	0	
11			0	0	
12			0	0	
13			0	0	
14			0	0	
15			0	0	
TOTALS			0	194,886	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION ND0045	
OPERATING REPORT - FINANCIAL		PERIOD ENDED 12/2002	
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12h - Section G. Materials and Supplies Inventory

Item	Balance Beginning of Year	Purchased & Salvaged	Used & Sold	Balance End of Year
1. Coal	5,372,464	126,331,026	124,672,135	7,031,355
2. Other Fuel	1,820,992	1,239,039	1,183,191	1,876,840
3. Production Plant Parts and Supplies	14,776,961	20,843,745	19,627,478	15,993,228
4. Station Transformers and Equipment	0	0	0	0
5. Line Materials and Supplies	4,177,638	289,333	245,834	4,221,137
6. Other Materials and Supplies	64,633	53,525	69,590	48,568
7. TOTAL (sum of lines 1 thru 6)	26,212,688	148,756,668	145,798,228	29,171,128

PERIOD ENDED	12/2002
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Item	Balance End of Year (a)	Billed This Year Interest (b)	Billed This Year Principal (c)	Billed This Year Total (d)
RUS (Excludes RUS - Economic Development Loans)	-50,302,191	182,951	7,872,143	8,055,094.00
National Rural Utilities Cooperative Finance Corporation	0	0	0	0.00
Bank for Cooperatives	111,183,523	4,642,744	28,521,688	33,164,432.00
Federal Financing Bank	713,188,341	41,118,724	36,371,681	77,490,405.00
RUS - Economic Development Loans	0	0	0	0.00
Other	323,505,956	13,697,004	6,031,735	19,728,739.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
TOTAL	1,097,575,629	59,641,423	78,797,247	138,438,670.00

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT - FINANCIAL	BORROWER DESIGNATION ND0045 PERIOD ENDED 12/2002
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Section I. Annual Meeting and Board Data

1. Date of Last Annual Meeting 11/07/2002	2. Total Number of Members 124	3. Number of Members Present at Meeting 92	4. Was Quorum Present (Y/N)? Y
5. Number of Members Voting by Proxy or Mail 0	6. Total Number of Board Members 10	7. Total Amount of Fees and Expenses for Board Memebers 325,067	8. Does Manager Have Written Contract (Y/N)? Y

Section J. Man-Hour and Payroll Statistics

Item	Amount
1. Number of Full Time Employees	1,060
2. Employee-Hours Worked - Regular Time	2,131,917
3. Employee-Hours Worked - Overtime	93,663
4. Payroll Expensed	54,188,803
5. Payroll Capitalized	1,680,792
6. Payroll Other	71,902

PERIOD ENDED

12/2002

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Name of Lessor

(a)

Type of Property

(b)

Rental
This Year
(c)

105 C.Y. Dragline	
-------------------	--

4,029,756

Loading Shovel

226,802

AVS Unit #1

5,545,315

AVS Unit #2

35,259,779

0

0 |

0 |

01

0 |

0

0

0

0

0

0

01

0

0

0

0

total

45,061,652

PERIOD ENDED

12/2002

OPERATING REPORT - FINANCIAL

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12i - Lines and Stations: Section A. Expense and Costs

Item	Account Number	Lines (a)	Stations (b)
TRANSMISSION OPERATION			
1. Supervision and Engineering	560	5,377,400	0
2. Load Dispatching	561	0	
3. Station Expenses	562		2,594,986
4. Overhead Line Expenses	563	989,459	
5. Underground Line Expenses	564	0	
6. Miscellaneous Expenses	566	1,213,933	0
7. SUBTOTAL (1 thru 6)		7,580,792	2,594,986
8. Transmission of Electricity by Others	565	13,055,042	
9. Rents	567	0	0
10. TOTAL TRANSMISSION OPERATION (7 thru 9)		20,635,834	2,594,986
TRANSMISSION MAINTENANCE			
11. Supervision and Engineering	568	57,699	0
12. Structures	569		0
13. Station Equipment	570		203,649
14. Overhead Lines	571	500,069	
15. Underground Lines	572	0	
16. Miscellaneous Transmission Plant	573	118,006	275,851
17. TOTAL TRANSMISSION MAINTENANCE (11 thru 16)		675,774	479,500
18. TOTAL TRANSMISSION EXPENSE (10+17)		21,311,608	3,074,486
19. Distribution Expense - Operation	580-589	0	0
20. Distribution Expense - Maintenance	590-598	0	0
21. TOTAL DISTRIBUTION EXPENSE (19+20)		0	0
22. TOTAL OPERATION AND MAINTENANCE (18+21)		21,311,608	3,074,486
FIXED COSTS			
23. Depreciation - Transmission	403.5	8,089,373	4,394,480
24. Depreciation - Distribution	403.6	0	0
25. Interest - Transmission	427	9,608,478	4,357,367
26. Interest - Distribution	427	0	0
27. TOTAL TRANSMISSION (18+23+25)		39,009,459	11,826,333
28. TOTAL DISTRIBUTION (21+24+26)		0	0
29. TOTAL LINES AND STATIONS (27+28)		39,009,459	11,826,333

RURAL UTILITIES SERVICE

ND0045

OPERATING REPORT - LINES AND STATIONS

PERIOD ENDED

12/2002

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Section A. Expense and Costs

Transmission Lines		
Voltage (kV)	Miles	
69 KV	1.13	
115 KV	82.12	
230 KV	459.55	
345 KV	1,157.96	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
TOTAL	1,700.76	
Distr. Lines	0.00	
TOTAL	1,700.76	

SUBSTATIONS

Setup at Generating Plants	3,685,100	10. Transmission	2,741,500
11. Distribution	0	12. Total (9 thru 11)	6,426,600

Section C. Labor and Material Summary

1. NUMBER OF EMPLOYEES

55

Item	Lines	Stations	
2. Oper. Labor	2,132,055	1,952,211	
3. Maint. Labor	530,413	487,491	
4. Oper. Material	186,644	346,460	
5. Maint. Material	523,266	225,043	

Section D. Outages

Item	Amount	
1. TOTAL	0.00	
2. Avg. No. Dist. Cons. Served	0.00	
3. Avg. No. Hours Per Cons.	0.00	

Basin Electric Power Cooperative
Operating Report
Annual Supplement
RUS Form 12h
For the 12 months ended 12/31/02

Tab 1 Utility Plant

SECTION A UTILITY PLANT

Item	Balance Beginning of Year	Additions	Retirements	Adjustments and Transfers	Balance End of Year
1. Total Intangible Plant (301 thru 303)	61,130,445				61,130,445
2. Total Steam Production Plant (310 thru 316)	1,506,953,145	91,276,958	1,305,005		1,596,925,098
3. Total Nuclear Production Plant (320 thru 325)	0				0
4. Total Hydro Production Plant (330 thru 336)	0				0
5. Total Other Production Plant (340 thru 346)	24,220,781	47,421,507	537,024		71,105,264
6. Total Production Plant (2 thru 5)	1,531,173,926	138,698,465	1,842,029	0	1,668,030,362
7. Land and Land Rights (350)	16,286,910	292,500			16,579,410
8. Structures and Improvements (352)	9,620,801	20,000			9,640,801
9. Station Equipment (353)	117,228,311	2,936,802	72,393		120,092,720
10. Other Transmission Plant (354 thru 359)	275,310,226	824,825			276,135,051
11. Total Transmission Plant (7 thru 10)	418,446,248	4,074,127	72,393	0	422,447,982
12. Land and Land Rights (360)	0				0
13. Structures and Improvements (361)	0				0
14. Station Equipment (362)	0				0
15. Other Distribution Plant (363 thru 373)	0				0
16. Total Distribution Plant (12 thru 15)	0				0
17. Total General Plant (389 thru 399)	94,872,347	6,988,918	2,959,759	145,309	99,046,815
18. Electric Plant in Service (1+6+11+16+17)	2,105,622,966	149,761,510	4,874,181	145,309	2,250,655,604
19. Electric Plant Purchased or Sold (102)					0
20. Electric Plant Leased to Others (104)					0
21. Electric Plant Held for Future Use (105)					0
22. Completed Construction Not Classified (106)					0
23. Acquisitions Adjustments (114)					0
24. Other Utility Plant (118)					0
25. Nuclear Fuel Assemblies (120.1 thru 120.4)					0
26. Total Utility Plant in Service (18 thru 25)	2,105,622,966	149,761,510	4,874,181	145,309	2,250,655,604
27. Construction Work in Progress (107)	47,210,784	149,286,244		(149,761,511)	46,735,517
28. Total Utility Plant (26+27)	2,152,833,750	299,047,754	4,874,181	(149,616,202)	2,297,391,121

Basin Electric Power Cooperative
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For the 12 months ended 12/31/02

Tab 2 Accum Depr Amort

SECTION B: ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION - UTILITY PLANT

ITEM	Comp. Rate (%) (a)	Balance Beginning of Year (b)	Annual Accruals (c)	Retirements Less Net Salvage (d)	Adjustments and Transfers (e)	Balance End of Year (f)
1. Depr. of Steam Prod. Plant (108.1)	0.00%	713,665,368	38,876,912	578,753		751,963,527
2. Depr. of Nuclear Prod. Plant (108.2)	0.00%					
3. Depr. of Hydraulic Prod. Plant (108.3)	0.00%					
4. Depr. of Other Prod. Plant (108.4)	0.00%	16,217,071	1,396,814	151,912		17,461,973
5. Depr. of Transmission Plant (108.5)	0.00%	180,767,887	8,991,788	20,697		189,738,978
6. Depr. of Distribution Plant (108.6)	0.00%					
7. Depr. of General Plant (108.7)		64,745,147	2,292,550	(279,923)		67,317,620
8. Retirement Work in Progress (108.8)						
9. Total Depr. For Elec. Plant in Serv. (1-8)		975,395,473			0	1,026,482,098
10. Depr. of Plant Leased to Others (109)	0.00%					
11. Depr. of Plant Held for Future Use (110)	0.00%					
12. Amort. of Elec. Plant in Service (111)	0.00%	30,535,598	1,601,245			32,136,843
13. Amort. of Leased Plant (112)	0.00%					
14. Amort. of Plant Held for Future Use	0.00%					
15. Amort. of Acquisition Adj. (115)	0.00%					
16. Depr. & Amort. Other Plant (119)	0.00%					
17. Amort. of Nuclear Fuel (120.5)	0.00%					
18. Total Prov. For Depr. & Amort. (9-17)		1,005,931,071	53,159,309	471,439	0	1,058,618,941

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Tab 3 Sec B Accum Depr. cont.

SECTION B: ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION - UTILITY PLANT - continued

19.	Amt of Annual Accrual Charged to Expense	20.	Amt of Annual Accrual Charged to other Accounts	21.	Book Cost of Property Retired
	\$0.00		\$0.00		\$949,984
22.	Removal Cost of Property Retired	23.	Salvage Material from Property Retired	24.	Renewal and Replacement Cost
	\$25,785		\$504,330		\$0

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Tab 4 Non Utility Plant

SECTION C. NONUTILITY PLANT

ITEM	Balance Beginning of Year (a)	Additions (b)	Retirements (c)	Adjustments and Transfers (d)	Balance End of Year (e)
1. Nonutility Property (121)	762,040		422,200		339,840
2. Provision for Depr. & Amort. (122)	762,040		422,200		339,840

**ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION
RUS 12H - YEAR ENDING 2002**

	Balance Beginning of Year 12H	Summary Report (YTD) from AM by Acct/Type	Accum Depr on Disposals & Transfers	from Joan Sum Report YTD 12500 and 81080	from Joan Retirements less Net Salvage	Open RWO's 12505	Balance End of Year
Generation	(713,665,366.55)	(37,422,608.47)	(514,401.45)	(939,901.00)	578,753.00		(751,963,524.47)
Other Prod	(16,217,071.28)	(1,751,195.32)	385,111.20	(30,730.00)	151,912.00		(17,461,973.40)
Transmission	(180,767,888.01)	(8,968,599.65)	51,696.81	(84,062.00)	20,697.00	9,177.26	(189,738,978.59)
Other	(64,745,147.34)	(5,302,432.29)	2,729,958.88	279,923.00	(279,923.00)		(67,317,620.75)
Amortization	(30,535,598.42)	(1,601,245.36)					(32,136,843.78)
TOTALS	(1,005,931,071.60)	(55,046,081.09)	2,652,365.44	(774,770.00)	471,439.00	9,177.26	(1,058,618,940.99)

Basin Electric Power Cooperative
Administrative and General Expenses
For the 12 months ended 12/31/02

Tab 6 A&G

Summary by Account for RUS 920 and 930 for Year 2002

COMPANY	FISCAL_YEAR	RUS	ACCOUNT	ACCOUNT_DESC	SumOfYearlyAmt
45	2002	920	47110	Interest Income Non-Government	-
45	2002	920	49110	Gain (Loss) Sale Of Property	-
45	2002	920	49800	Misc Non-Operating Income	-
45	2002	920	51100	Materials	1,300,942.28
45	2002	920	51110	Mat & Sup-Sales Tax Expense	254,157.12
45	2002	920	51125	Inventory Adjustments	(4.00)
45	2002	920	51130	Tools	4,209.59
45	2002	920	51140	Postage-Office & Materials	146,568.69
45	2002	920	51145	Consumables	49,219.48
45	2002	920	51200	Fuel-Gas & Diesel	422,838.00
45	2002	920	51205	Gases	(43.74)
45	2002	920	51210	Lubricants	-
45	2002	920	51300	Lime	-
45	2002	920	51700	Chemicals	2,881.36
45	2002	920	52100	Electricity	407,026.81
45	2002	920	52200	Water/Sewer	31,485.10
45	2002	920	52300	Natural Gas	8,086.96
45	2002	920	52600	Telephone-direct	1,426,715.66
45	2002	920	53100	Employee Salaries	23,215,080.96
45	2002	920	53110	Employee Benefits	7,853,177.48
45	2002	920	53180	Payroll Tax	1,710,967.01
45	2002	920	53200	Sem Fees/Tuition/Training	725,758.60
45	2002	920	53210	Business Travel	706,207.40
45	2002	920	53215	Miscellaneous Travel	117,797.06
45	2002	920	53220	Education Travel	333,275.44
45	2002	920	53225	Fees/Dues-Employee Related	57,675.47
45	2002	920	53230	Interview Expense	479.55
45	2002	920	53235	Moving/Relocation	13,964.39
45	2002	920	53240	Welfare/Recreation	126,073.43
45	2002	920	53250	Business Associate Activities	2,439.48
45	2002	920	54100	Contracted Services	2,375,996.24
45	2002	920	54110	External Auditor	109,183.33
45	2002	920	54120	Legal Consultants	1,515,430.36
45	2002	920	54130	Miscellaneous Consultants	1,401,555.43
45	2002	920	54140	Maintenance Agreements	227,680.45
45	2002	920	54150	Commissions	(225.00)
45	2002	920	54160	Financial Service Fees	310,888.00
45	2002	920	54500	Mainframe Costs Allocated	547,704.33
45	2002	920	54505	NST Admin costs Allocated	814,319.17
45	2002	920	54510	Desktop Expense Allocated	673,413.60
45	2002	920	54515	CSN Mrktg Allocated	160,892.70
45	2002	920	54520	Client Server Support Alloc	418,266.63
45	2002	920	54530	IST Admin costs Allocated	6,987,861.57
45	2002	920	54535	IST Adm-Network Allocated	23,209.08
45	2002	920	54540	HP UNIX Box Exp Allocated	474,785.17
45	2002	920	54550	Enterprise System Allocated	280,099.89
45	2002	920	54555	IST Adm-Enterprise Allocated	646,471.38
45	2002	920	54560	Non-Enterprise Systems Alloc	252,985.92
45	2002	920	54565	IST Adm-Non-Entrps Sys Alloc	321,593.79
45	2002	920	54570	File Servers Allocated	235,489.18
45	2002	920	54575	IST Adm-File Server Alloc	472,608.89
45	2002	920	54580	IST Adm-Mainframe Alloc	430,801.86
45	2002	920	54585	IST Adm-HP Unix Alloc	733,315.80
45	2002	920	54600	Admin Exp-Direct Chg Services	1,092,608.89
45	2002	920	54605	Admin Exp Alloc-Headquarters	17,680,976.59
45	2002	920	54615	Admin Exp Alloc-Square Feet	5,690,743.37
45	2002	920	54620	Admin Exp Alloc-# Employees	3,378,443.86
45	2002	920	54625	Admin Exp Alloc-Airplane	1,062,046.48
45	2002	920	54700	Support Services-Labor&Other	722,380.63
45	2002	920	54800	Admin Ovhd Alloc to W/O	531,352.40
45	2002	920	55100	Printing	101,083.91
45	2002	920	55105	Advertising	1,753,618.11
45	2002	920	55110	Subscriptions	113,866.67
45	2002	920	55115	Office Materials	459,501.62
45	2002	920	55120	Tour Expense	15,464.29
45	2002	920	58800	Promotional/Marketing	99,548.02
45	2002	920	58805	Computer Software	2,447,099.37
45	2002	920	58810	Computer Hardware	728,270.25

45	2002	920	58815	Vehicle Expense	26,842.89
45	2002	920	58820	Miscellaneous General Expense	728,342.15
45	2002	920	58825	Corporate Dues	1,413,598.18
45	2002	920	58830	Charitable Contributions	156,848.00
45	2002	920	58835	Member Marketing Assist Prog	30,000.00
45	2002	920	58837	Green Tag Purchases	50,532.80
45	2002	920	58840	Fees/Dues-Basin Only	(9,431.83)
45	2002	920	58860	Uncollected A/R	2,019.48
45	2002	920	58870	Board of Directors Expense	195,275.85
45	2002	920	58871	BOD exp-Non Board Mtg	166,723.78
45	2002	920	58890	Other Deductions	829.96
45	2002	920	58900	Corporate Fees-Non-Employee Reltd	177,522.10
45	2002	920	59900	Unallocable expenses	444,951.89
45	2002	920	61100	Lease Expense-Other	111,635.31
45	2002	920	62100	Rent Expense	450,449.60
45	2002	920	63100	Property Insurance	42,998.30
45	2002	920	63110	Comprehensive Gen Insurance	553.26
45	2002	920	63120	Umbrella/Excess Insurance	3,215.44
45	2002	920	63200	Auto Insurance	8,808.96
45	2002	920	63700	Surety Bonds	1,936.00
45	2002	920	63800	Miscellaneous Insurance	259,215.48
45	2002	920	64600	Property Tax	364,567.04
45	2002	920	64800	Other Taxes	350.92
45	2002	920	65500	Amort Debt Discount	0.01
45	2002	920	66100	Interest-LTD-RUS	(0.04)
45	2002	920	66110	Interest-LTD-FFB	(0.01)
45	2002	920	66115	Interest-LTD-Bond	(0.04)
45	2002	920	66180	Interest-LTD-Other	0.01
45	2002	920	66600	Interest Exp-Other	1,187.42
45	2002	920	70310	Reclass Capital/Expense/G & A	(622,653.80)
45	2002	920	70330	Reclass Work Order Activity	(1,324,221.64)
45	2002	920	70340	Reclass IST Alloc Billed	(154,800.00)
45	2002	920	75115	Payroll Clearing	-
45	2002	920	75120	A/P Expense Clearing	(15,116.09)
45	2002	920	75135	Billing-Miscellaneous	(905,037.30)
45	2002	920	75140	WO Billing Clearing	40.00
45	2002	920	75145	Allocation Holding	(44,369.91)
45	2002	920	75150	Procurement & DCC Exp Alloc	(637,000.36)
45	2002	920	75160	Function Exp Billed-Not Alloc	(667,825.89)
45	2002	920	75175	Offset-Airplane Allocated	(1,930,022.38)
45	2002	920	75180	Offset-Admin Alloc/Sq Foot	(5,690,743.37)
45	2002	920	75181	Commission Fee Alloc	(73,356.87)
45	2002	920	75185	Offset-Admin Alloc/# Employees	(3,378,443.86)
45	2002	920	75190	Offset-Mainframe Allocated	(2,169,345.83)
45	2002	920	75195	Offset-IST Admin Allocated	(7,185,836.49)
45	2002	920	75200	Offset-Headquarter Other Alloc	(36,103,300.68)
45	2002	920	75205	Offset-Hdq Desktop Allocated	(673,413.60)
45	2002	920	75210	Offset-Network Server Alloc	(828,501.64)
45	2002	920	75215	Offset-HP UNIX Allocated	(516,035.84)
45	2002	920	75220	Offset-Enterprise System Alloc	(725,221.04)
45	2002	920	75225	Offset-Non-Enterprise Sys Alloc	(497,216.58)
45	2002	920	75230	Offset-File Servers Allocated	(461,802.88)
45	2002	920	75235	Offset-Mainframe-Admin	(1,868,333.00)
45	2002	920	75240	Offset-HP Unix-Admin	(817,702.72)
45	2002	920	75245	Offset-Network-Admin	(45,924.95)
45	2002	920	75250	Offset-Enterprise-Admin	(1,903,164.83)
45	2002	920	75255	Offset-Non-Entrprs-Admin	(637,036.98)
45	2002	920	75260	Offset-File Server-Admin	(935,935.52)
45	2002	920	75265	Offset-NST Allocated	(814,319.17)
45	2002	920	75275	Offset-CSN Mrktg Allocated	(160,892.70)
45	2002	920	75300	ETP Exp Clearing	193,892.48
45	2002	920	75555	Payroll Clrng-Resp Acctg	(28,429.85)
45	2002	920	75556	Payroll Benefits Clrng	(9,335.31)
45	2002	920	75557	Payroll Taxes Clrng	(2,194.44)
45	2002	920	85620	Station Exp-Participant	(19,984.40)
45	2002	920	85660	Misc Trans Exp-Participant	(6,316.03)
45	2002	920	85730	Maint-Misc Trans-Participant	(26,447.60)
45	2002	920	89200	Admin/Gen Salry-Participant	333,914.51
45	2002	930	53110	Employee Benefits	-
45	2002	930	53180	Payroll Tax	-
45	2002	930	54100	Contracted Services	4,980.00
45	2002	930	54500	Mainframe Costs Allocated	-
45	2002	930	54505	NST Admin costs Allocated	-
45	2002	930	54510	Desktop Expense Allocated	-
45	2002	930	54515	CSN Mrktg Allocated	-
45	2002	930	54520	Client Server Support Alloc	-
45	2002	930	54530	IST Admin costs Allocated	-

45	2002	930	54535	IST Adm-Network Allocated	9,081.26
45	2002	930	54540	HP UNIX Box Exp Allocated	-
45	2002	930	54550	Enterprise System Allocated	97,825.94
45	2002	930	54555	IST Adm-Enterprise Allocated	254,043.28
45	2002	930	54560	Non-Enterprise Systems Alloc	97,165.98
45	2002	930	54565	IST Adm-Non-Entrps Sys Alloc	126,541.87
45	2002	930	54570	File Servers Allocated	91,184.92
45	2002	930	54575	IST Adm-File Server Alloc	185,502.40
45	2002	930	54580	IST Adm-Mainframe Alloc	313,809.59
45	2002	930	54585	IST Adm-HP Unix Alloc	-
45	2002	930	54605	Admin Exp Alloc-Headquarters	3,042,657.05
45	2002	930	54615	Admin Exp Alloc-Square Feet	-
45	2002	930	54625	Admin Exp Alloc-Airplane	-
45	2002	930	54700	Support Services-Labor&Other	-
45	2002	930	58820	Miscellaneous General Expense	5,500.00
45	2002	930	63120	Umbrella/Excess Insurance	-
45	2002	930	70310	Reclass Capital/Expense/G & A	-
45	2002	930	75181	Commission Fee Alloc	73,356.87
45	2002	930	75200	Offset-Headquarter Other Alloc	-
45	2002	930	89300	General Exp-Participant	1,620,153.47

33,406,650.79

Basin Electric Power Cooperative
Other Deductions
For the 12 months ended 12/31/02

Tab 7 Other Deductions

OTHER DEDUCTIONS (RUS 411, 426, 426.2, 426.499, 426.5, 428, & 430)

2002

RUS 411

Gain on Sale of EPA Pollution Control Allowances-Basin	(212,540.26)
Gain on Sale of EPA Pollution Control Allowances-LRS Basin's Share	(16,858.35)
Amortization of 1998 Revenue Deferral	
Total RUS 411	<u>(229,398.61)</u>

RUS 426

Obsolete Inventory Write-Off Basin	0.00
Obsolete Inventory Write-Off-LRS-Basins's Share	
Total RUS 426	<u>0.00</u>

RUS 426.499

Write-off of uncollectible A/R Surn Industries	0.00
Loss on Long-Term Investments	128,743.42
Total RUS 426,499	<u>128,743.42</u>

RUS 428

Amortize Debt Discount-AVS	1,322,802.28	Production
Amortize Debt Discount-Groton	9,703.74	Transmission
Amortize Debt Discount-Headquarters	59,173.18	HDQ
Amortize Debt Discount-LOS	307,595.73	Production
Amortize Debt Discount-LRS	758,461.04	Production
Amortize Debt Discount-SMS	32,163.64	Production
Amortize Debt Discount-TSM	832,683.49	Transmission
Amortize Debt Discount-WJN	0.00	
Reclass Capital & Expense to Admin		
Total RUS 428	<u>3,322,583.10</u>	

RUS 430

Short-Term Member Investment Interest Expense	1,349,803.56
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Total Other Deductions

4,571,731.47

**Basin Electric Power Cooperative
Taxes Other Than Income Taxes
For the 12 months ended 12/31/02**

Tab 8 Taxes Other Than Income

**OTHER EXPENSES
AND TAXES OTHER THAN INCOME TAXES
YEAR ENDING 2002**

1 State and Local Property Taxes	\$2,009,178
Other Expenses	
2 Report 12A Line 25 Other Deductions	\$5,193,660
3 Less: Interest	(\$4,658,490)
4 Add: Other Taxes (not included in line 1)	\$6,972,749
5 Net Other Expenses	\$7,507,919
6 Total Other Taxes (line 1 + line 4)	\$8,981,927

**NAMES AND ADDRESSES OF
ENTITIES RECEIVING SERVICE**

Public Service Company of Colorado
Director, Gas Supply and Market Operations
1099 18th Street, Suite 3000
Denver, CO 80202

Aquila, Inc., d/b/a AQUILA NETWORKS
Manager, Energy Services
10700 East 350 Highway,
P. O. Box 11739
Kansas City, MO 64138

Aquila, Inc., d/b/a AQUILA NETWORKS-
WPC
Manager, Energy Services
10700 East 350 Highway
P. O. Box 11739
Kansas City, MO 64138

Aquila, Inc., d/b/a AQUILA NETWORKS-
WPK
Manager, Energy Services
10700 East 350 Highway,
P. O. Box 11739
Kansas City, MO 64138

Black Hills Power
Director, Generation Dispatch and Power
Marketing
409 Deadwood Avenue
Rapid City, SD 57702

Black Hills Generation
Generation Dispatch and Power Marketing
409 Deadwood Avenue
Rapid City, SD 57702

Tri-State Generation and Transmission
Association, Inc.
Power Marketing and Resource Manager
P. O. Box 33695
Denver, CO 80233

Western Area Power Administration-
Loveland Area Projects Marketing
Energy Trader
1800 South Rio Grande Avenue
Montrose, CO 81401-4800

Tenaska Power Services CO.
Contract Administration
1701 East Lamar Blvd., Suite 100
Arlington, VA 76006

Black Hills Power
Manager, System Control
2828 Plant Street, Suite B
Rapid City, SD 57702-0385

EDF Trading North America, LLC
Vice President West Power
4700 West Sam Houston Parkway North,
Suite 2500,
Houston, TX 77041

Powerex Corp.
Contracts Manager
666 Burrard Street, Suite 1400
Vancouver, British Columbia,
Canada V6C 2X8

Kansas Energy LLC
Vice President
17795 West 106th Street, Suite 204
Olathe, KS 66061

Rainbow Energy Marketing Corporation
Vice President of Operations
919 South 7th Street, Suite 405
Bismarck, ND 58504-5835

PPL Energyplus, LLC
Director - Trading and Marketing
North 9th Street
Allentown, PA 18101

Municipal Energy Agency of Nebraska
Assistant Director of Wholesale Electric
Operations
8377 Glynoaks Drive
Lincoln, NE 68516

Westar Energy, Inc.
Executive Director, Bulk Power Marketing
818 South Kansas Avenue
Topeka, KS 66612

Canadian Wood Products-Montreal Inc.
Director, Risk and Operations
407 Rue McGill, Suite 315,
Montreal, QC Canada, H2Y 2G3

ETC Endure Energy, LLC
Director - FTR Trading
7400 West 129th Street, Suite 250
Overland Park, KS 66213

Shell Energy North America (US), L.P.
Contracts Team Lead
1000 Main Street, Level 12
Houston, TX 77002

Macquarie Energy LLC
Legal Risk Management
500 Dallas Street, Level 33
Houston, TX 77002

Western Area Power Administration-
Loveland Area Projects Marketing
Energy Management and Marketing Office
Manager
5555 East Crossroads Boulevard
Loveland, CO 80538-8986

Cargill Power Markets, LLC
Energy Trader
12700 Whitewater Drive
Minnetonka, MN 55343

MAG Energy Solutions, Inc.
Contract Administrator
999 Maisonneuve W., #875
Montreal, QC H3A 3L4

Morgan Stanley Capital Group, Inc.
Vice President
1585 Broadway, 4th Floor
New York, NY 10036

PACIFICORP
Contract Administrator
825 NE Multnomah Street, Suite 600
Portland, OR 97232

The Energy Authority, Inc.
Senior Transmission Analyst
76 South Laura Street, Suite 1500,
Jacksonville, FL 32202

Axia Energy L.P.
Contract Analyst
20 E. Greenway Plaza,
Houston, TX 77046

Conoco Gas and Power Marketing
Vice President of Power Marketing
600 North Dairy Ashford (CH1081)
Houston, TX 77079

Salt River Project Merchant
Marketing Representative, Operations
1600 Priest Drive (ISB250)
Tempe AZ 85281

Colorado Springs Utilities
Senior Resource Supply Trader
PO Box 1103
Colorado Springs, CO 80947

J. Aron
Managing Director
85 Broad Street
New York, NY 10004

FPL Energy Power Marketing
Short Term Cash Trader
700 Universe Blvd.
Juno Beach, FL 33408

MidAmerican Energy Company
Senior Trading Account Manager
4299 NW Urbandale Drive
Urbandale IA 50322

CitiGroup
Managing Director, Commodities
1301 Fannin, Suite 2300
Houston, TX 77002

WPS Energy Services, Inc.
Chief Operating Officer
1716 Lawrence Drive
DePere, WI 54115

Colorado Public Utilities Commission
1560 Broadway, Suite 250
Denver, Colorado 80202

Nebraska Public Service Commission
1200 N Street, Suite 300
Lincoln, Nebraska 68508

New Mexico Public Regulation Commission
1120 Paseo De Peralta, PERA Building
P.O. Box 1269
Santa Fe, New Mexico 87504

Wyoming Public Service Commission
2515 Warren Avenue, Suite 300
Cheyenne, Wyoming 82002

Iowa Utilities Board
1375 E. Court Ave.
Des Moines, IA 50319-0069

Montana Public Service Commission
1701 Prospect Ave
Vista Square Bldg
PO Box 202601
Helena, MT 59620-2601

North Dakota Public Service Commission
600 E. Blvd., Department 408
Bismarck, ND 58505-0480

FERC rendition of the electronically filed tariff records in Docket No. ER19-02911-000

Filing Data:

CID: C003849

Filing Title: Basin Electric Submission of Open Access Transmission Tariff and ATRR

Company Filing Identifier: 161

Type of Filing Code: 390

Associated Filing Identifier:

Tariff Title: Open Access Transmission Tariff

Tariff ID: 190

Payment Confirmation:

Suspension Motion:

Tariff Record Data:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Title Page, Open Access Transmission Tariff, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 1

Tariff Record Collation Value: 1000000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

BASIN ELECTRIC POWER COOPERATIVE

OPEN ACCESS TRANSMISSION TARIFF

WESTERN INTERCONNECTION TRANSMISSION FACILITIES

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Table of Contents, Open Access Transmission Tariff, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 2

Tariff Record Collation Value: 1100000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

TABLE OF CONTENTS

I. COMMON SERVICE PROVISIONS

1 DEFINITIONS

1.1 Affiliate

- 1.2 Ancillary Services
- 1.3 Annual Transmission Costs
- 1.4 Application
- 1.5 Commission
- 1.6 Completed Application
- 1.7 Control Area
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Record Narrative Name:
Tariff Record ID: 3
Tariff Record Collation Value: 1200000 Tariff Record Parent Identifier: 0
Proposed Date: 9998-12-31
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

I. COMMON SERVICE PROVISIONS

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Section 1, Definitions, 0.0.0, A
Record Narrative Name:
Tariff Record ID: 4
Tariff Record Collation Value: 1300000 Tariff Record Parent Identifier: 3
Proposed Date: 9998-12-31
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

1 Definitions

1.1 Affiliate:

With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity. A cooperative's members are not considered Affiliates for purposes of this Tariff.

1.2 Ancillary Services:

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

1.3 Annual Transmission Costs:

The total annual cost of the Transmission System for purposes of Network

Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider or modified by the Commission.

1.4 Application:

A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

1.5 Commission:

The Federal Energy Regulatory Commission or FERC.

1.6 Completed Application:

An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit or fee.

1.7 Control Area:

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

1. match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
2. maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
3. maintain the frequency of the electric power system(s) within

reasonable limits in accordance with Good Utility Practice;
and

4. provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.8 Curtailment:

A reduction in firm or non-firm transmission service in response to a transfer capability or transmission capacity shortage as a result of system reliability conditions.

1.9 Delivering Party:

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

1.10 Designated Agent:

Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.

1.11 Direct Assignment Facilities:

Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

1.12 Eastern Interconnection:

A major alternating-current electrical grid in North America. The Eastern Interconnection reaches from Central Canada eastward to the Atlantic coast (excluding Quebec), south to Florida, and back west to the foot of the Rockies (excluding most of Texas).

1.13 Effective Date:

For Short-Term Firm and Non-Firm Point-To-Point Transmission Service the Effective Date of this Tariff is [effective date granted by the Commission in Docket No. ER19-____-000]. For Long-Term Firm Point-To-Point Transmission Service the Effective Date of this Tariff is [effective date granted by the Commission in Docket No. ER19-____-000]. For Network Integration Transmission Service the Effective Date of this Tariff is [effective date granted by the Commission in Docket No. ER19-____-000].

1.14 Eligible Customer:

- i. Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state

requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.

- ii. Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.

1.15 Facilities Study:

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

1.16 Federal Power Marketing Agency:

This term shall include the term “Federal Power Marketing Administration” and have the same definition that is set forth in the Federal Power Act at 16 U.S.C. § 796(19), which defines “Federal power marketing agency” as “any agency or instrumentality of the United States (other than the Tennessee Valley Authority) which sells electric energy[.]”

1.17 Firm Point-To-Point Transmission Service:

Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this

Tariff.

1.18 Good Utility Practice:

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

1.19 Interruption:

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

1.20 Load Ratio Share:

Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated on a rolling twelve month basis.

1.21 Load Shedding:

The systematic reduction of system demand by temporarily decreasing load

in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

1.22 Long-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

1.23 Native Load Customers:

The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.

1.24 Network Customer:

An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

1.25 Network Integration Transmission Service:

The transmission service provided under Part III of the Tariff.

1.26 Network Load:

The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may

elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery except as provided for in Sections 36 and 37 of the Tariff. Where a Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.

1.27 Network Operating Agreement:

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.

1.28 Network Operating Committee:

A group made up of representatives from the Network Customer(s), the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

1.29 Network Resource:

Any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be

called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

1.30 Network Upgrades:

Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

1.31 Non-Firm Point-To-Point Transmission Service:

Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff.

Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.32 Non-Firm Sale:

An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

1.33 North American Electric Reliability Corporation (NERC):

The organization certified as the Electric Reliability Organization (as defined in 18 C.F.R. § 39.1) as of the Effective Date, or any successor organizations.

1.34 Open Access Same-Time Information System (OASIS):

The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

1.35 Part I:

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

1.36 Part II:

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.37 Part III:

Tariff Sections 28 through 37 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.38 Parties:

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

1.39 Point(s) of Delivery:

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of

Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.40 Point(s) of Receipt:

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.41 Point-To-Point Transmission Service:

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.42 Power Purchaser:

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.43 Pre-Confirmed Application:

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.44 Receiving Party:

The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

1.45 Regional Transmission Group (RTG):

A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

1.46 Reserved Capacity:

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.47 Service Agreement:

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

1.48 Service Commencement Date:

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.49 Short-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

1.50 Statutory Load Obligation:

A Federal Power Marketing Agency's power marketing function obligations under Federal law to deliver power and energy from the output of the Federal hydroelectric projects operated by the Department of the Army and the Bureau of Reclamation to loads, which include project use loads, preference power customer loads in a marketing area defined pursuant to a power marketing plan, and other loads required to be served under Federal law.

1.51 System Condition:

A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer's Service Agreement.

1.52 System Impact Study:

An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to

provide transmission service.

1.53 Tariff:

This Open Access Transmission Tariff.

1.54 Tariff Administrator:

The Tariff Administrator shall administer the Tariff on behalf of Basin Electric Power Cooperative. The Tariff Administrator is identified on Attachment S.

1.55 Third-Party Sale:

Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

1.56 Transmission Customer:

Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I Common Service Provisions, Schedules 1-6, Schedule 9, and Attachment L to include customers receiving transmission service under Part II and Part III of this Tariff.

1.57 Transmission Provider:

Basin Electric Power Cooperative (the Transmission System owner) or the Tariff Administrator that controls or operates facilities used for the

transmission of electric energy in interstate commerce and provides transmission service under the Tariff.

1.58 Transmission Provider's Monthly Transmission System Peak:

The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.

1.59 Transmission Service:

Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.

1.60 Transmission System:

Basin Electric Power Cooperative's entitlement share of the following facilities located in the Western Interconnection: (i) the 345 kV transmission line from the Laramie River Station at Wheatland, Wyoming to the Story substation in Colorado; (ii) the 345 kV transmission line from the Laramie River Station to the Ault substation in Colorado; (iii) the 230 kV transmission line from the Laramie River Station to the Dave Johnston substation in Wyoming; (iv) the 230 kV transmission line from the Laramie River Station to the Stegall substation in Nebraska; (v) the 230 kV transmission line from the Stegall substation to the Sidney substation in Nebraska; and (vi) associated substation facilities. that are used to provide transmission service under Part II and Part III of the Tariff.

1.61 Western Area Colorado Missouri (WACM):

The Control Area operator for the Transmission System.

1.62 Western Electricity Coordinating Council (WECC):

A regional entity responsible for compliance monitoring and enforcement pursuant to a FERC-approved delegation agreement with NERC and in accordance with WECC's Bylaws, or any successor organizations.

1.63 Western Interconnection:

A major alternating current power grid in North America. The Western Interconnection stretches from Western Canada south to Baja California in Mexico, reaching eastward over the Rockies to the Great Plains. Western Interconnection is comprised of the states of Washington, Oregon, California, Idaho, Nevada, Utah, Arizona, Colorado, Wyoming, portions of Montana, South Dakota, Nebraska, New Mexico and Texas in the United States, the Provinces of British Columbia and Alberta in Canada, and a portion of the Comisión Federal de Electricidad's system in Baja California in Mexico.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 2, Initial Allocation and Renewal Procedures, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 5

Tariff Record Collation Value: 1400000 Tariff Record Parent Identifier: 3

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

2 Initial Allocation and Renewal Procedures**2.1 Initial Allocation of Available Transfer Capability:**

For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate

a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the Effective Date will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.

2.2 Reservation Priority For Existing Firm Service Customers:

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service; provided that, the firm service customer shall have a right of

first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. Service agreements subject to a right of first refusal entered into prior to the Effective Date or associated with a transmission service request received prior to the Effective Date, unless terminated, will become subject to the five year/one year requirement on the first rollover date after the Effective Date; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of the Effective Date.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 3, Ancillary Services, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 6

Tariff Record Collation Value: 1500000 Tariff Record Parent Identifier: 3

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the Transmission

Customer is required to purchase, the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), to the extent it is physically feasible to do so from its resources or from resources available to it, Generator Imbalance Service when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer using Transmission Service to deliver energy from a generator located within the Transmission Provider's Control Area is required to acquire Generator Imbalance Service, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary

Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve. The Transmission Provider shall determine whether the Transmission Customer has adequately demonstrated that it has acquired the Ancillary Services from another source. If the Transmission Provider determines that the Transmission Customer is taking Ancillary Services that it has not paid for or otherwise has not made adequate arrangements for Ancillary Services, then the Transmission Provider may impose a penalty equal to 200% of the applicable Ancillary Service charge for the entire length of the reserved period but not exceeding one month.

If the Transmission Provider is a public utility providing transmission service but is not a Control Area operator, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The

Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, 6 and 9) from a third party or by self-supply when technically feasible.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.7 below list the seven Ancillary Services.

3.1 Scheduling, System Control and Dispatch Service:

The rates and/or methodology are described in Schedule 1.

3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service:

The rates and/or methodology are described in Schedule 2.

3.3 Regulation and Frequency Response Service:

Where applicable the rates and/or methodology are described in Schedule 3.

3.4 Energy Imbalance Service:

Where applicable the rates and/or methodology are described in Schedule 4.

3.5 Operating Reserve - Spinning Reserve Service:

Where applicable the rates and/or methodology are described in Schedule 5.

3.6 Operating Reserve - Supplemental Reserve Service:

Where applicable the rates and/or methodology are described in Schedule 6.

3.7 Generator Imbalance Service:

Where applicable the rates and/or methodology are described in Schedule 9.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 4, Open Access Same-Time Information System (OASIS), 0.0.0, A

Record Narrative Name:

Tariff Record ID: 7

Tariff Record Collation Value: 1600000 Tariff Record Parent Identifier: 3

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

4 Open Access Same-Time Information System (OASIS)

4.1 Terms and Conditions

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 C.F.R. § 37 of the Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities) and 18 C.F.R. § 38 of the Commission's regulations (Business Practice Standards and Communication Protocols for Public Utilities). In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional

studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

The Transmission Provider shall post on OASIS and its public website an electronic link to all rules, standards and practices that (i) relate to the terms and conditions of transmission service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The Transmission Provider shall post on OASIS and on its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also post on OASIS and its public website an electronic link to a statement of the process by which the Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are not included in this Tariff. Such process shall set forth the means by which the Transmission Provider shall provide reasonable advance notice to Transmission Customers and Eligible Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that the Transmission Provider deems appropriate.

4.2 Incorporation by Reference of the NAESB Wholesale Electric Quadrant Standards

The current versions of the NAESB Wholesale Electric Quadrant (WEQ) Business Practice Standards incorporated by reference into the Commission's regulations as specified in Part 38 of the Commission's regulations (18 C.F.R. Part 38) are incorporated by reference into this Tariff.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 5, Local Furnishing Bonds, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 8

Tariff Record Collation Value: 1700000 Tariff Record Parent Identifier: 3

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

5 Local Furnishing Bonds

5.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds:

This provision is applicable only to Transmission Providers that have financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

5.2 Alternative Procedures for Requesting Transmission Service:

(i) If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such transmission service, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.

(ii) If the Eligible Customer thereafter renews its request for the same transmission service referred to in (i) by tendering an application under Section 211 of the Federal Power Act, the Transmission Provider, within ten (10) days of receiving a copy of the Section 211 application, will waive its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act. The Commission, upon receipt of the Transmission Provider's waiver of its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act, shall issue an order under Section 211 of the Federal Power Act. Upon issuance of the order under Section 211 of the Federal Power Act, the Transmission Provider shall be required to provide the requested transmission service in accordance with the terms and conditions of this Tariff.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 6, Reciprocity, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 9

Tariff Record Collation Value: 1800000 Tariff Record Parent Identifier: 3

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

6 Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for

the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates. A Transmission Customer that is a member of, or takes transmission service from, a power pool, Regional Transmission Group, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization approved by the Commission for the operation of transmission facilities also agrees to provide comparable transmission service to the transmission-owning members of such power pool and Regional Transmission Group, RTO, ISO or other transmission organization on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application

a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 7, Billing and Payment, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 10

Tariff Record Collation Value: 1900000 Tariff Record Parent Identifier: 3

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

7 Billing and Payment

7.1 Billing Procedure:

Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

7.2 Interest on Unpaid Balances:

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be

considered as having been paid on the date of receipt by the Transmission Provider.

7.3 Customer Default:

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

Record Narrative Name:
Tariff Record ID: 11
Tariff Record Collation Value: 2000000 Tariff Record Parent Identifier: 3
Proposed Date: 9998-12-31
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

8 Accounting for the Transmission Provider's Use of the Tariff

The Transmission Provider shall record the following amounts, as outlined below.

8.1 Transmission Revenues:

Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of the Tariff.

8.2 Study Costs and Revenues:

Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Transmission Provider conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

Record Narrative Name:
Tariff Record ID: 12
Tariff Record Collation Value: 2100000 Tariff Record Parent Identifier: 3
Proposed Date: 9998-12-31
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

9 Regulatory Filings

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Section 10, Force Majeure and Indemnification, 0.0.0, A
Record Narrative Name:
Tariff Record ID: 13
Tariff Record Collation Value: 2200000 Tariff Record Parent Identifier: 3
Proposed Date: 9998-12-31
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

10 Force Majeure and Indemnification

10.1 Force Majeure:

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion,

breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

10.2 Indemnification:

The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider.

Record Narrative Name:
Tariff Record ID: 14
Tariff Record Collation Value: 2300000 Tariff Record Parent Identifier: 3
Proposed Date: 9998-12-31
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

11 Creditworthiness

The Transmission Provider will specify its Creditworthiness procedures in

Attachment L.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Section 12, Dispute Resolution Procedures, 0.0.0, A
Record Narrative Name:
Tariff Record ID: 15
Tariff Record Collation Value: 2325000 Tariff Record Parent Identifier: 3
Proposed Date: 9998-12-31
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

12 Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures:

Any dispute between a Transmission Customer and the Transmission

Provider involving transmission service under the Tariff (excluding

applications for rate changes or other changes to the Tariff, or to any

Service Agreement entered into under the Tariff, which shall be presented

directly to the Commission for resolution) shall be referred to a designated

senior representative of the Transmission Provider and a senior

representative of the Transmission Customer for resolution on an informal

basis as promptly as practicable. In the event the designated

representatives are unable to resolve the dispute within thirty (30) days [or

such other period as the Parties may agree upon] by mutual agreement,

such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

12.2 External Arbitration Procedures:

Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

12.3 Arbitration Decisions:

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized

only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction; provided, however, that final decisions with the Federal Government as one of the parties are nonbinding. Further, notwithstanding any provisions in this Tariff to the contrary, any disputes arising under the Tariff and relating to determinations, decisions, conduct, or actions made or taken by Basin Electric Power Cooperative pursuant to its Tariff shall be subject to binding resolution under this section only to the extent agreed upon by Basin Electric Power Cooperative's board of directors, and subject to the terms and conditions set by Basin Electric Power Cooperative's board of directors. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

12.4 Costs:

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

1. the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
2. one half the cost of the single arbitrator jointly chosen by the Parties.

12.5 Rights Under The Federal Power Act:

Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Part II, Point-to-Point Transmission Service, Preamble, 0.0.0, A
Record Narrative Name:
Tariff Record ID: 16
Tariff Record Collation Value: 2350000 Tariff Record Parent Identifier: 0
Proposed Date: 9998-12-31
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Section 13, Nature of Firm Point-to-Point Transmission Service, 0.0.0, A
Record Narrative Name:
Tariff Record ID: 17
Tariff Record Collation Value: 2450000 Tariff Record Parent Identifier: 16
Proposed Date: 9998-12-31

Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

13 Nature of Firm Point-To-Point Transmission Service

13.1 Term:

The minimum term of Firm Point-To-Point Transmission Service shall be one day and the maximum term shall be specified in the Service Agreement.

13.2 Reservation Priority:

- (i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has requested service.
- (ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not Pre-Confirmed and that have equal or shorter duration. Among requests or reservations with the same duration and, as relevant, pre-confirmation status (pre-confirmed, confirmed, or not confirmed), priority will be given to an Eligible Customer's

request or reservation that offers the highest price, followed by the date and time of the request or reservation.

- (iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration

request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration, price and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.

- (iv) Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

13.3 Use of Firm Point-To-Point Transmission Service by the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after the Effective Date or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will

maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements:

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions

no less than 90 days prior to the date for imposition of new curtailment conditions.

Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs:

In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it shall do so, provided that the

Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 15.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Point-To-Point Transmission Service:

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system and the systems directly and indirectly interconnected with Transmission Provider's Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission

Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Point-To-Point Transmission Service. Long-Term Firm Point-To-Point Transmission Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Point-To-Point Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to curtail Firm Point-To-Point Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to curtail, in whole or in part, any Firm Point-To-Point Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments. In the event that the Transmission Customer fails to cease or reduce service in response to a directive by the Transmission Provider, the Transmission Customer shall pay any applicable charges and the following penalty (in addition to the charges for all of the firm capacity used): 100% of the Firm Point-To-Point Transmission Service charges

under Schedule 7 for the entire length of the reserved period but not exceeding one month. This penalty shall apply only to the portion of the service that the Transmission Customer fails to curtail in response to a Curtailment directive.

13.7 Classification of Firm Point-To-Point Transmission Service:

- (a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.
- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.
- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm

transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Point-To-Point Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Point-To-Point Transmission Service. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Point-To-Point Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Point-To-Point Transmission Service. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The Transmission

Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved. In the event that a Transmission Customer (including Third-Party Sales by Basin Electric Power Cooperative) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved, the Transmission Customer shall pay the following penalty (in addition to the applicable charges for all of the firm capacity actually used): 100% of the Firm Point-To-Point Transmission Service charges under Schedule 7 for the period for which the unreserved service was actually used. The charges for the unreserved service shall be based upon the duration of the period when the unreserved capacity was used. For example, (i) one hour shall be billed at the

charge for weekday deliveries; (ii) repeated daily use of unreserved capacity within a seven day period shall increase the duration of the period to a weekly duration; and (iii) multiple instances of unreserved use during more than one seven day period during a calendar month shall increase the duration of the period to a monthly duration. For the amounts exceeding reserved capacity, the Transmission Customer also must purchase losses as required by this Tariff.

13.8 Scheduling of Firm Point-To-Point Transmission Service:

Schedules for the Transmission Customer's Firm Point-To-Point

Transmission Service will comply with all applicable NERC guidelines and policies and must be submitted to the Transmission Provider no later than 10:00 a.m. of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable.

Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes before the

start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

13.9 Commonly-Owned Facilities:

Notwithstanding any other provision of this Section 13, Firm Point-To-Point Transmission Service provided pursuant to this Tariff shall not adversely affect the contractual or ownership rights of any entity that owns or operates, jointly with the Transmission Provider, any transmission facilities or facilities included within the Transmission System.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 14, Nature of Non-Firm Point-to-Point Transmission Service, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 18

Tariff Record Collation Value: 2550000 Tariff Record Parent Identifier: 16

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

14 Nature of Non-Firm Point-To-Point Transmission Service

14.1 Term:

Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.

14.2 Reservation Priority:

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmation status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted

if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after the Effective Date or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

14.4 Service Agreements:

The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

14.5 Classification of Non-Firm Point-To-Point Transmission Service:

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. In the event that a Transmission Customer (including Third-Party Sales by Basin Electric Power Cooperative) exceeds its non-firm Reserved Capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved, the Transmission Customer shall pay the following penalty (in addition to the applicable charges for all of the firm capacity actually used): 100% of the Non-Firm

Point-To-Point Transmission Service charges under Schedule 8 for the duration of the period when the additional service was used as specified below not to exceed one month for the amount in excess of such capacity reservation. The charges for the unreserved service shall be based upon the duration of the period when the unreserved capacity was used. For example, (i) one hour shall be billed at the charge for weekday deliveries; (ii) repeated daily use of unreserved capacity within a seven day period shall increase the duration of the period to a weekly duration; and (iii) multiple instances of unreserved use during more than one seven day period during a calendar month shall increase the duration of the period to a monthly duration. For the amounts exceeding reserved capacity, the Transmission Customer also must purchase losses as required by this Tariff.

Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

14.6 Scheduling of Non-Firm Point-To-Point Transmission Service:

Schedules for Non-Firm Point-To-Point Transmission Service will comply with all applicable NERC guidelines and policies and must be submitted to the Transmission Provider no later than 2:00 p.m. of the day prior to commencement of such service. Schedules submitted after 2:00 p.m. will

be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour.

Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted twenty (20) minutes before the start of the next scheduling interval, provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Service:

The Transmission Provider reserves the right to curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition

threatens to impair or degrade the reliability of its Transmission System or the systems directly and indirectly interconnected with Transmission Provider's Transmission System. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. The Transmission Provider reserves the right to interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Point-To-Point Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Point-To-Point Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with

Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be curtailed or interrupted before daily non-firm transactions and daily non-firm transactions will be curtailed or interrupted before weekly non-firm transactions).

Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice. In the event that the Transmission Customer fails to cease or reduce service in response to a directive by the Transmission Provider, the Transmission Customer shall pay any applicable charges and the following penalty (in addition to the charges for all of the non-firm capacity used): 100% of the Non-Firm Point-To-Point Transmission Service charge under Schedule 8 for the entire length of the reserved period not to exceed one month for the amount in excess of such capacity reservation. This penalty shall apply only to the portion of the service that the Transmission Customer fails to curtail or interrupt in response to a Curtailment or Interruption directive.

14.8 Commonly-Owned Facilities

Notwithstanding any other provision of this Section 14, Non-Firm Point-To-Point Transmission Service provided pursuant to this Tariff shall not adversely affect the contractual or ownership rights of any entity that owns or operates, jointly with the Transmission Provider, any transmission facilities or facilities included within the Transmission System.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Section 15, Service Availability, 0.0.0, A
Record Narrative Name:
Tariff Record ID: 19
Tariff Record Collation Value: 2650000 Tariff Record Parent Identifier: 16
Proposed Date: 9998-12-31
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

15 Service Availability

15.1 General Conditions:

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transfer Capability:

A description of the Transmission Provider's specific methodology for assessing available transfer capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study.

15.3 Initiating Service in the Absence of an Executed Service Agreement:

If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Service Agreement, the Transmission Provider shall file with the Commission, within thirty (30) days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment:

- (a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission

Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Point-To-Point Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

- (b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of

redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.

- (c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Point-To-Point Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Point-To-Point Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

15.5 Deferral of Service:

The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

15.6 Other Transmission Service Schedules:

Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

15.7 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are set forth in Attachment M.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 16, Transmission Customer Responsibilities, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 20

Tariff Record Collation Value: 2750000 Tariff Record Parent Identifier: 16

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers:

Point-To-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:

- (a) The Transmission Customer has pending a Completed Application for service;
- (b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
- (c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider and to effect the delivery from the Transmission Provider to the Transmission Customer or the ultimate wholesale purchaser from the Transmission Customer prior to the time service under Part II of the Tariff commences;
- (d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;
- (e) The Transmission Customer provides the information required by the Transmission Provider's planning process

established in Attachment K; and

- (f) The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 15.3.

16.2 Transmission Customer Responsibility for Third-Party Arrangements:

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 17, Procedures for Arranging Firm Point-to-Point Trans Service, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 21

Tariff Record Collation Value: 2850000 Tariff Record Parent Identifier: 16

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

17 Procedures for Arranging Firm Point-To-Point Transmission Service

17.1 Application:

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to: Basin Electric Power Cooperative, 1717 East Interstate Avenue, Bismarck, North Dakota, 58503, at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. This method will provide a time-stamped record for establishing the priority of the Application.

17.2 Completed Application:

A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The location of the Point(s) of Receipt and Point(s) of

Delivery and the identities of the Delivering Parties and the Receiving Parties;

- (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations;
- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Transmission Service;
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests

for service in order to satisfy the minimum transmission capacity requirement;

- (ix) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service;
- (x) The Eligible Customer's NERC compliance registry identification number;
- (xi) The identity and contact number of the Eligible Customer's accounts payable personnel; and
- (xii) Any additional information required by the Transmission Provider's planning process established in Attachment K.

The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

17.3 Processing Fee:

A Completed Application for Firm Point-To-Point Transmission Service also shall include a nonrefundable processing fee. Such fee shall be applicable to all Transmission Customer's request for Firm Point-To-Point Transmission Service of one year or longer. The processing fee shall be charged as set forth in Attachment N of this Tariff. This fee does not apply to costs to complete System Impact Studies or Facilities Study or to add new

facilities.

17.4 Notice of Deficient Application:

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

17.5 Response to a Completed Application:

Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. Responses by the Transmission Provider must be made as soon as practicable to all

completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

17.6 Execution of Service Agreement:

Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 Extensions for Commencement of Service:

The Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Point-To-Point Transmission Service for each year or fraction thereof within 15 days of notifying the Transmission Provider it intends to extend the commencement

of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Point-To-Point Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 18, Procedures for Arranging Non-Firm Point-to-Point Trans Serv, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 22

Tariff Record Collation Value: 2950000 Tariff Record Parent Identifier: 16

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

18 Procedures for Arranging Non-Firm Point-To-Point Transmission Service

18.1 Application:

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider.

Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. This method will provide a time-stamped record for establishing the service priority of the Application.

18.2 Completed Application:

A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The Point(s) of Receipt and the Point(s) of Delivery;
- (iv) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery;
- (v) The Eligible Customer's NERC compliance registry identification number;
- (vi) The identity and contact number of the Eligible Customer's accounts payable personnel; and
- (vii) The proposed dates and hours for initiating and terminating transmission service hereunder.

In addition to the information specified above, when required to properly evaluate system conditions, the Transmission Provider also may ask the Transmission Customer to provide the following:

- (i) The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request

for service; and

- (ii) The electrical location of the ultimate load.

The Transmission Provider will treat this information in (viii) and (ix) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

- (i) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

18.3 Reservation of Non-Firm Point-To-Point Transmission Service:

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than noon the day before service is to commence.

Requests for service received later than 2:00 p.m. prior to the day service is

scheduled to commence will be accommodated if practicable.

18.4 Determination of Available Transfer Capability:

Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 19, Add'l Study Proc for Firm Point-to-Point Trans Serv Req, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 23

Tariff Record Collation Value: 3050000 Tariff Record Parent Identifier: 16

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

19 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests

19.1 Notice of Need for System Impact Study:

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer

shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional Curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn.

19.2 System Impact Study Agreement and Cost Reimbursement:

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible

Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 20.

19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch, (3) conditional Curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System

Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For an Eligible Customer requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as practicable after the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a

request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request in writing the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider

is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement or request in writing the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications:

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New

good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.6 Due Diligence in Completing New Facilities:

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

19.7 Partial Interim Service:

If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission

Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

19.8 Expedited Procedures for New Facilities:

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated

and withdrawn.

19.9 Penalties for Failure to Meet Study Deadlines:

Sections 19.3 and 19.4 require a Transmission Provider to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

- (i) The Transmission Provider is required to file a notice with the Commission in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.
- (ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider may provide an

explanation in its notification filing to the Commission if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.

(iii) The Transmission Provider is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the 60-day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the calendar quarter immediately following the quarter that triggered the Transmission Provider's notification filing to the Commission. The operational penalty will continue to be assessed each quarter until the Transmission Provider completes at least ninety (90) percent of all non-Affiliates' System Impact Studies and Facilities Studies within the 60-day deadline.

(iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to \$500 for each day the Transmission Provider takes to complete that study beyond

the 60-day deadline.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 20, Procedures if Trans Prov Unable to Complete - Firm PTP, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 24

Tariff Record Collation Value: 3150000 Tariff Record Parent Identifier: 16

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

20 Procedures if The Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service

20.1 Delays in Construction of New Facilities:

If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the Transmission Customer to evaluate any alternatives.

20.2 Alternatives to the Original Facility Additions:

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by

the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

20.3 Refund Obligation for Unfinished Facility Additions:

If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Commission regulations 35.19a(a)(2)(iii). However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 21, Provisions Re Trans Constr and Svcs on Other Utils Sys, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 25

Tariff Record Collation Value: 3250000 Tariff Record Parent Identifier: 16

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

21 Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities

21.1 Responsibility for Third-Party System Additions:

The Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

21.2 Coordination of Third-Party System Additions:

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction

of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 22, Changes in Service Specifications, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 26

Tariff Record Collation Value: 3350000 Tariff Record Parent Identifier: 16

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

22 Changes in Service Specifications

22.1 Modifications On a Non-Firm Basis:

The Transmission Customer taking Firm Point-To-Point Transmission Service may request the Transmission Provider to provide transmission service on a non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement ("Secondary Receipt and Delivery Points"), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-To-Point Transmission Service

charge or executing a new Service Agreement, subject to the following conditions.

- (a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by the Transmission Provider on behalf of its Native Load Customers.
- (b) The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.
- (c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.
- (d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the submission of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over

Secondary Receipt and Delivery Points.

22.2 Modification On a Firm Basis:

Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any additional Application processing fee if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
 Section 23, Sale of Assignment of Transmission Service, 0.0.0, A
 Record Narrative Name:
 Tariff Record ID: 27
 Tariff Record Collation Value: 3450000 Tariff Record Parent Identifier: 16
 Proposed Date: 9998-12-31
 Priority Order: 500
 Record Change Type: NEW
 Record Content Type: 1
 Associated Filing Identifier:

23 Sale or Assignment of Transmission Service

23.1 Procedures for Assignment or Transfer of Service:

- (a) A Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall be at rates established by

agreement between the Reseller and the Assignee.

- (b) The Assignee must execute a service agreement with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. The Transmission Provider shall charge the Reseller, as appropriate, at the rate stated in the Reseller's Service Agreement with the Transmission Provider or the associated OASIS schedule and credit the Reseller with the price reflected in the Assignee's Service Agreement with the Transmission Provider or the associated OASIS schedule; provided that, such credit shall be reversed in the event of non-payment by the Assignee. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service:

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service:

In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use the Transmission Provider's OASIS to post transmission capacity available for resale.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
 Section 24, Metering and Pwr Factor Correct at Receipt and Delivery Pts, 0.0.0, A
 Record Narrative Name:
 Tariff Record ID: 28
 Tariff Record Collation Value: 3550000 Tariff Record Parent Identifier: 16
 Proposed Date: 9998-12-31
 Priority Order: 500
 Record Change Type: NEW

Record Content Type: 1
Associated Filing Identifier:

24 Metering and Power Factor Correction at Receipt and Delivery Point(s)

24.1 Transmission Customer Obligations:

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the Tariff and to communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer. The Transmission Customer shall inspect its metering equipment for accuracy in registration at least biennially and at its own expense. The Transmission Customer shall also perform meter tests at the request of the Transmission Provider within normal business hours. If any metering equipment test shows the Transmission Customer's metering equipment to not be accurate within +/- 2%, the Transmission Customer shall replace such equipment with accurate equipment or restore the existing equipment to accurate registration at the Transmission Customer's own expense. If a metering test requested by the Transmission Provider shows the Transmission Customer's equipment to be registering accurately within +/- 2%, the Transmission Provider shall pay the costs of such test. All meter test information shall be submitted to the Transmission Provider.

24.2 Transmission Provider Access to Metering Data:

The Transmission Provider shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.

24.3 Power Factor:

Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 25, Compensation for Transmission Service, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 29

Tariff Record Collation Value: 3650000 Tariff Record Parent Identifier: 16

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

25 Compensation for Transmission Service

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the Schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 26, Stranded Cost Recovery, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 30

Tariff Record Collation Value: 3750000 Tariff Record Parent Identifier: 16
Proposed Date: 9998-12-31
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

26 Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Section 27, Comp for New Facilities and Redispatch Costs, 0.0.0, A
Record Narrative Name:
Tariff Record ID: 31
Tariff Record Collation Value: 3850000 Tariff Record Parent Identifier: 16
Proposed Date: 9998-12-31
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

27 Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs to the extent consistent with Commission policy.

Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved by redispatching the Transmission Provider's resources to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs to the extent consistent with

Commission policy.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Part III, Network Integration Transmission Service, Preamble, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 32

Tariff Record Collation Value: 3950000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the Tariff.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 28, Nature of Network Integration Transmission Service, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 33

Tariff Record Collation Value: 4050000 Tariff Record Parent Identifier: 32

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

28 Nature of Network Integration Transmission Service

28.1 Scope of Service:

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

28.2 Transmission Provider Responsibilities:

The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transfer capability. The Transmission Provider shall include the Network

Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice and Attachment K, endeavor to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service:

The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

28.4 Secondary Service:

The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service

under Part II of the Tariff.

28.5 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are set forth in Attachment M.

28.6 Restrictions on Use of Service:

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. In the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve its Network Load, it shall pay the penalty set forth in Section 13.7 for the amount of the service used to facilitate the wholesale sale.

Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

29 Initiating Service

29.1 Condition Precedent for Receiving Service:

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement with the Commission, and (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G, or requests in writing that the Transmission Provider file a proposed unexecuted Network Operating Agreement.

29.2 Application Procedures:

An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the

procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. This method will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the party requesting service;
- (ii) The Eligible Customer's NERC compliance registry identification number;
- (iii) The identity and contact number of the Eligible Customer's accounts payable personnel; and
- (iv) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (v) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission

voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;

- (vi) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;

- (vii) A description of Network Resources (current and 10-year projection). For each on-system Network Resource, such description shall include:

- 1) Unit size and amount of capacity from that unit to be designated as Network Resource VAR capability (both leading and lagging) of all generators
- 2) Operating restrictions

- Any periods of restricted operations throughout the year
- Maintenance schedules
- Minimum loading level of unit
- Normal operating level of unit
- Any must-run unit designations required for system reliability or contract reasons

- 3) Approximate variable generating cost (\$/MWH) for redispatch computations
- 4) Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource;

For each off-system Network Resource, such description shall include:

- 1) Identification of the Network Resource as an off-system resource
- 2) Amount of power to which the customer has rights
- 3) Identification of the control area from which the power will originate
- 4) Delivery point(s) to the Transmission Provider's

Transmission System

- 5) Transmission arrangements on the external transmission system(s)
- 6) Operating restrictions, if any
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons
- 7) Approximate variable generating cost (\$/MWH) for redispatch computations;

(viii) Description of Eligible Customer's transmission system:

- 1) Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider
- 2) Operating restrictions needed for reliability
- 3) Operating guides employed by system operators

- 4) Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
 - 5) Location of Network Resources described in subsection (v) above
 - 6) 10 year projection of system expansions or upgrades
 - 7) Transmission System maps that include any proposed expansions or upgrades
 - 8) Thermal ratings of Eligible Customer's Control Area ties with other Control Areas;
- (ix) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year;
- (x) A statement signed by an authorized officer from or agent of the Eligible Customer attesting that all of the network resources listed pursuant to Section 29.2(vii) satisfy the following conditions: (1) the Eligible Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the

availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program; and

- (xi) Any additional information required of the Eligible Customer as specified in the Transmission Provider's planning process established in Attachment K.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgement must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this

section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations. Notwithstanding the foregoing, the Transmission Provider may, on a non-discriminatory basis, waive the requirement that a deposit accompany an Application where the Eligible Customer has established its creditworthiness pursuant to Section 11 of this Tariff and is not in default on its obligations under this Tariff as defined in Section 7.3 of this Tariff at the time of the Application. The Transmission Provider will bill the Eligible Customer for any reasonable costs incurred by the Transmission Provider in connection with its review of the Application. Such bill will contain a complete accounting of all costs included.

29.3 Technical Arrangements to be Completed Prior to Commencement of Service:

Network Integration Transmission Service shall not commence until the Transmission Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider shall exercise reasonable efforts, in coordination with the Network

Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

29.4 Network Customer Facilities:

The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from the Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

29.5 Filing of Service Agreement:

The Transmission Provider will file Service Agreements with the Commission in compliance with applicable Commission regulations.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
 Section 30, Network Resources, 0.0.0, A
 Record Narrative Name:
 Tariff Record ID: 35
 Tariff Record Collation Value: 4250000 Tariff Record Parent Identifier: 32
 Proposed Date: 9998-12-31
 Priority Order: 500
 Record Change Type: NEW
 Record Content Type: 1
 Associated Filing Identifier:

30 Network Resources

30.1 Designation of Network Resources:

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the

Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

30.2 Designation of New Network Resources:

The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through the Transmission Provider's OASIS by a request for modification of service pursuant to an Application under Section 29. This request must include a statement that the new network resource satisfies the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise

cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. The Network Customer's request will be deemed deficient if it does not include this statement, and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.3 Termination of Network Resources:

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource by providing notification to the Transmission Provider through OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS, and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:

- (i) Effective date and time of temporary termination;
- (ii) Effective date and time of redesignation, following period of temporary termination;
- (iii) Identification and capacity of resource(s) or portions thereof

to be temporarily terminated;

- (iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and
- (v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.4 Operation of Network Resources:

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area

such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing program, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to changes in the operation of a Network Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. In the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-To-Point Transmission Service, it shall pay the penalty set forth in Section 13.7 for the amount of the service exceeding the Network Resource's designated capacity.

30.5 Network Customer Redispatch Obligation:

As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.

30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider:

The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

30.7 Limitation on Designation of Network Resources:

The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the

availability of transmission service under Part III of the Tariff.

30.8 Use of Interface Capacity by the Network Customer:

There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Network Load.

30.9 Network Customer Owned Transmission Facilities:

The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider, to serve its power and transmission customers. For facilities added by the Network Customer subsequent to the Effective Date, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the Transmission Provider's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's

annual transmission revenue requirement as specified in Attachment H. The eligible Network Customer is only entitled to receive the value of the billing credits netted against but not to exceed the Network Customer's monthly transmission charges. The eligible Network Customer shall not be entitled to additional payments for transmission service sold on its transmission facilities that would otherwise be recoverable by the Transmission Provider under the Tariff. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties. This Section 30.9 does not apply to Network Customer transmission facilities that are reflected in the rates for service under this Tariff.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 31, Designation of Network Load, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 36

Tariff Record Collation Value: 4350000 Tariff Record Parent Identifier: 32

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

31 Designation of Network Load

31.1 Network Load:

The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

31.2 New Network Loads Connected With the Transmission Provider:

The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with Commission policies.

31.3 Network Load Not Physically Interconnected with the Transmission Provider:

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load except as provided for in Sections 36 and 37 of the Tariff, or (2) excluding that entire

load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

31.4 New Interconnection Points:

To the extent the Network Customer desires to add a new delivery point or interconnection point between the Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable.

31.5 Changes in Service Requests:

Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g. the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

31.6 Annual Load and Resource Information Updates:

The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff including, but not limited to, any information provided under section 29.2(xi) pursuant to the Transmission Provider's planning process in Attachment K. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 32, Additional Study Procedures for NITS Requests, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 37

Tariff Record Collation Value: 4450000 Tariff Record Parent Identifier: 32

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

32 Additional Study Procedures For Network Integration Transmission Service Requests

32.1 Notice of Need for System Impact Study:

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for

completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

32.2 System Impact Study Agreement and Cost Reimbursement:

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible

Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

32.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost of redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and (4)

additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as practicable after the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new

transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request in writing the filing of an unexecuted Service Agreement, or the Application shall be deemed terminated and withdrawn.

32.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Eligible Customer and provide an

estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Service Agreement or request in writing the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

32.5 Penalties for Failure to Meet Study Deadlines:

Section 19.9 defines penalties that apply for failure to meet the 60-day study completion due diligence deadlines for System Impact Studies and Facilities Studies under Part II of the Tariff. These same requirements and penalties apply to service under Part III of the Tariff.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 33, Load Shedding and Curtailments, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 38

Tariff Record Collation Value: 4550000 Tariff Record Parent Identifier: 32

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

33 Load Shedding and Curtailments

33.1 Procedures:

Prior to the Service Commencement Date, the Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the Transmission System and on systems directly and indirectly interconnected with Transmission Provider's Transmission System. The Parties will implement such programs during any period when the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

33.2 Transmission Constraints:

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good

Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints:

Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

33.4 Curtailments of Scheduled Deliveries:

If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to implement Curtailments of scheduled deliveries, the Parties shall curtail such schedules in accordance with the Network Operating

Agreement or pursuant to the Transmission Loading Relief procedures specified in Attachment J.

33.5 Allocation of Curtailments:

The Transmission Provider shall, on a non-discriminatory basis, curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to curtail schedules to an extent greater than the Transmission Provider would curtail the Transmission Provider's schedules under similar circumstances.

33.6 Load Shedding:

To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.

33.7 System Reliability:

Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose

of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, (iii) expedite restoration of service; or (iv) comply with directives of NERC and the reliability coordinator responsible for overseeing the Transmission System. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. In the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures or to cease or reduce service in response to a directive by the Transmission Provider, the Network Customer shall pay any applicable charges and the following penalty (in addition to the charges for all of the service used): For the applicable month, 100% of the Network

Integration Transmission Service charge. This penalty shall apply only to the portion of the service that the Network Customer fails to curtail in response to a Curtailment directive.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 34, Rates and Charges, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 39

Tariff Record Collation Value: 4650000 Tariff Record Parent Identifier: 32

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

34 Rates and Charges

The Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

34.1 Monthly Demand Charge:

The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Transmission Provider's Annual Transmission Revenue Requirement specified in Attachment H.

34.2 Determination of Network Customer's Monthly Network Load:

The Network Customer's monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with the Transmission Provider under Section 31.3) coincident with the Transmission Provider's Monthly Transmission System Peak.

34.3 Determination of Transmission Provider's Monthly

Transmission System Load:

The Transmission Provider's monthly Transmission System load is the Transmission Provider's Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.

34.4 Redispatch Charge:

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

34.5 Stranded Cost Recovery:

The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

34.6 New and Incremental Taxes:

In the event that new sales, excise, or similar taxes (other than taxes based upon or measured by net income) associated with transactions under this

Tariff are imposed upon the Transmission Provider, the Network Customer shall pay any amounts necessary to reimburse the Transmission Provider for any amounts payable for such taxes not already recovered through the amounts collected pursuant to Attachment H.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 35, Operating Arrangements, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 40

Tariff Record Collation Value: 4750000 Tariff Record Parent Identifier: 32

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

35 Operating Arrangements

35.1 Operation under The Network Operating Agreement:

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

35.2 Network Operating Agreement:

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data

between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable NERC guidelines, (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable NERC reliability guidelines. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

35.3 Network Operating Committee:

A Network Operating Committee (Committee) shall be established to

coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 36, Co-Supply Arrangements, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 41

Tariff Record Collation Value: 4850000 Tariff Record Parent Identifier: 32

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

36 Co-Supply Arrangement

If a Federal Power Marketing Agency is a Network Customer and designates Network Load on or outside of the Transmission Provider's Transmission System, the amount of that Federal Power Marketing Agency's Network Load shall be based on its Statutory Load Obligations. A Federal Power Marketing Agency's Statutory Load Obligations to its customers are limited because it is not the full-requirements power supplier, except in certain limited cases, and therefore, a Federal Power Marketing Agency generally does not serve the total load at a delivery point. The portion of load that exceeds a Federal Power Marketing Agency's obligation at a delivery point must be served by another Network Customer (Co-Supplier). A Co-Supplier to load in excess of a Federal Power Marketing Agency's Statutory Load Obligations shall be allowed to designate its portion of the total load at a delivery point as Network Load. In such

case, that Co-Supplier's Network Load shall be the total load at each delivery point less any Federal Power Marketing Agency's Statutory Load Obligations.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 37, Direct Current Ties, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 42

Tariff Record Collation Value: 4950000 Tariff Record Parent Identifier: 32

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

37 Direct Current Ties

If a Network Customer designates a Network Load or a Network Resource that will be served via a Direct Current (DC) Tie, which interconnects the Western Interconnection and the Eastern Interconnection, then that Network Load or Network Resource shall be limited by the Network Customer's Reserved Capacity across that DC Tie. Further, the delivery point for the Network Load or the receipt point for the Network Resource shall be the western bus of that DC Tie.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Schedule 1, Scheduling, System Control, and Dispatch Service, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 43

Tariff Record Collation Value: 5050000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are

located. Scheduling, System Control and Dispatch Service is to be provided directly by the Control Area operator for the Transmission System or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Western Area Power Administration - Western Area Colorado Missouri (WACM) Control Area is the Control Area operator for the Transmission System.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
 Schedule 2, Reactive Supply and Voltage Ctrl from Gen Sources Svc, 0.0.0, A
 Record Narrative Name:
 Tariff Record ID: 44
 Tariff Record Collation Value: 5150000 Tariff Record Parent Identifier: 0
 Proposed Date: 9998-12-31
 Priority Order: 500
 Record Change Type: NEW
 Record Content Type: 1
 Associated Filing Identifier:

SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the control area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each

transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Control Area operator for the Transmission System or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator.

To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area operator.

The Western Area Power Administration - Western Area Colorado Missouri (WACM) Control Area is the Control Area operator for the Transmission System.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
 Schedule 3, Regulation and Frequency Response Service, 0.0.0, A
 Record Narrative Name:
 Tariff Record ID: 45
 Tariff Record Collation Value: 5250000 Tariff Record Parent Identifier: 0
 Proposed Date: 9998-12-31
 Priority Order: 500
 Record Change Type: NEW
 Record Content Type: 1
 Associated Filing Identifier:

SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Control Area operator that performs this function for the Transmission System. The Transmission Customer must purchase this service when the transmission service is used to serve load within the Control Area for the Transmission System. The Transmission Customer must purchase this service directly from the Control Area operator, or indirectly from the Transmission Provider, or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supplying Transmission Customer, the Transmission Provider will share with the Transmission Customer its reasoning and any

related data used to make the determination of whether the Transmission Customer has made alternative comparable arrangements. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Western Area Power Administration - Western Area Colorado Missouri (WACM) Control Area is the Control Area operator for the Transmission System.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
 Schedule 4, Energy Imbalance Service, 0.0.0, A
 Record Narrative Name:
 Tariff Record ID: 46
 Tariff Record Collation Value: 5350000 Tariff Record Parent Identifier: 0
 Proposed Date: 9998-12-31
 Priority Order: 500
 Record Change Type: NEW
 Record Content Type: 1
 Associated Filing Identifier:

SCHEDULE 4

Energy Imbalance Service

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Customer must purchase this service when the transmission service is used to serve load within the Control Area for the Transmission System. The Transmission Customer must purchase this service directly from the Control Area operator, or indirectly from Transmission Provider, or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control

Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly energy imbalances under this Schedule or a penalty for hourly generator imbalances under Schedule 9 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The Transmission Provider shall establish charges for energy imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, at 100 percent of incremental or decremental cost; (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of incremental cost or 75 percent of decremental cost.

For purposes of this Schedule, incremental cost and decremental cost represent the Transmission Provider's actual average hourly cost of the last 10 MW dispatched for any purpose, e.g., to supply the Transmission Provider's Native Load Customers, correct imbalances, or make off-system sales, based on the replacement cost of fuel, unit heat rates, start-up costs (including any commitment and redispatch costs), incremental operation and maintenance costs, and purchased and interchange power costs and taxes, as applicable.

The Western Area Power Administration - Western Area Colorado Missouri (WACM) Control Area is the Control Area operator for the Transmission System.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Schedule 5, Operating Reserve - Spinning Reserve Service, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 47

Tariff Record Collation Value: 5450000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

SCHEDULE 5

Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Customer must purchase this service when the transmission service is used to serve load within the Control Area for the Transmission System. The Transmission Customer must purchase this service directly

from the Control Area operator, or indirectly from the Transmission Provider, or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Western Area Power Administration - Western Area Colorado Missouri (WACM) Control Area is the Control Area operator for the Transmission System.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
 Schedule 6, Operating Reserve - Supplemental Reserve Service, 0.0.0, A
 Record Narrative Name:
 Tariff Record ID: 48
 Tariff Record Collation Value: 5550000 Tariff Record Parent Identifier: 0
 Proposed Date: 9998-12-31
 Priority Order: 500
 Record Change Type: NEW
 Record Content Type: 1
 Associated Filing Identifier:

SCHEDULE 6

Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Customer must purchase this service when the transmission service is used to serve load within the Control Area for the Transmission System. The Transmission Customer must purchase this service directly from the Control Area operator, or indirectly from the Transmission

Provider, or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Western Area Power Administration - Western Area Colorado Missouri (WACM) Control Area is the Control Area operator for the Transmission System.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Schedule 7, Long-Term Firm Point-to-Point Transmission Service, 0.0.0, A
Record Narrative Name:
Tariff Record ID: 49
Tariff Record Collation Value: 5650000 Tariff Record Parent Identifier: 0
Proposed Date: 9998-12-31
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

SCHEDULE 7

Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

- 1) **Yearly delivery:** one-twelfth of the demand charge of \$13.04/KW of Reserved Capacity per year.
- 2) **Monthly delivery:** \$1.09/KW of Reserved Capacity per month.
- 3) **Weekly delivery:** \$0.25/KW of Reserved Capacity per week.
- 4) **Daily delivery:** \$0.036/KW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

- 5) Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.
- 6) Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
 Schedule 8, Non-Firm Point-to-Point Transmission Service, 0.0.0, A
 Record Narrative Name:
 Tariff Record ID: 50
 Tariff Record Collation Value: 5750000 Tariff Record Parent Identifier: 0
 Proposed Date: 9998-12-31
 Priority Order: 500
 Record Change Type: NEW
 Record Content Type: 1
 Associated Filing Identifier:

SCHEDULE 8

Non-Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

- 1) **Monthly delivery:** \$1.09/KW of Reserved Capacity per month.
- 2) **Weekly delivery:** \$0.25/KW of Reserved Capacity per week.
- 3) **Daily delivery:** \$0.036/KW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

- 4) **Hourly delivery:** The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$1.49/MWH.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity

in any hour during such week.

- 5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.
- 6) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Schedule 9, Generator Imbalance Service, 0.0.0, A
Record Narrative Name:
Tariff Record ID: 51
Tariff Record Collation Value: 5850000 Tariff Record Parent Identifier: 0
Proposed Date: 9998-12-31
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

SCHEDULE 9

Generator Imbalance Service

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. The Transmission Customer must purchase this service directly from the Control Area operator, or indirectly from the Transmission Provider, or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule or a penalty for hourly energy imbalances under Schedule 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The Transmission Provider shall establish charges for generator imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of each month, at 100 percent of incremental or decremental cost, (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied

hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled at 125 percent of incremental cost or 75 percent of decremental cost, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW. An intermittent resource, for the limited purpose of this Schedule is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

Notwithstanding the foregoing, deviations from scheduled transactions in order to respond to directives by the Transmission Provider, a balancing authority, or a reliability coordinator shall not be subject to the deviation bands identified above and, instead, shall be settled financially, at the end of the month, at 100 percent of incremental and decremental cost. Such directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.

For purposes of this Schedule, incremental cost and decremental cost represent the Transmission Provider's actual average hourly cost of the last 10 MW dispatched for any purpose, e.g., to supply the Transmission Provider's Native Load

Customers, correct imbalances, or make off-system sales, based on the replacement cost of fuel, unit heat rates, start-up costs (including any commitment and redispatch costs), incremental operation and maintenance costs, and purchased and interchange power costs and taxes, as applicable.

The Western Area Power Administration - Western Area Colorado Missouri (WACM) Control Area is the Control Area operator for the Transmission System.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Attachment A, Form of Service Agreement for Firm Pt-to-Pt Trans Service, 0.0.0, A
Record Narrative Name:
Tariff Record ID: 52
Tariff Record Collation Value: 5950000 Tariff Record Parent Identifier: 0
Proposed Date: 9998-12-31
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

ATTACHMENT A

Form Of Service Agreement For Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and Between _____(the Transmission Provider), and _____ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application processing fee in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any

Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 The Transmission Customer agrees to pay any incremental or new taxes as provided for in Section 34.6 of the Tariff.
- 7.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Transmission Customer:

8.0 The Tariff is incorporated herein and made a part hereof.

9.0 Charges for Service: Charges for Firm Point-To-Point Transmission Service shall be calculated in accordance with Schedule 7 attached hereto and made a part of this Service Agreement.

10.0 Transmission capacity: Due to the nature of the MBPP, the total transmission capacity of Basin Electric's Transmission System may vary. As a result:

- a. If there is a reduction in total transmission capacity, the reservation under this Service Agreement will be reduced in accordance with the NERC transmission service reservation priorities, as follows:
 - i. First, Non-Firm Point-to-Point Transmission Service
 - ii. Second, Short-Term Firm Point-to-Point Transmission Service
 - iii. Third, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service

If there are multiple reservations within each category, the shortest term reservation will be reduced first. For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, all reservations will be reduced pro rata.

- b. If there is an increase in total transmission capacity, Transmission Customers and Network Customers will have the opportunity to increase the reservation under this Service Agreement in accordance with the NERC transmission service reservation priorities, as follows:
 - i. First, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service
 - ii. Second, Short-Term Firm Point-to-Point Transmission Service

iii. Third, Non-Firm Point-to-Point Transmission Service

For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, if more than one customer desires to increase its reservation, the reservations will be increased pro rata. If there are multiple reservations within the second or third categories, the Transmission Customer with the longest term reservation will be given the first opportunity to increase its reservation.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
| Name Title Date

Transmission Customer:

By: _____
| Name Title Date

Specifications For Long-Term Firm Point-To-Point
Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

5.0 Maximum amount of capacity and energy to be transmitted
(Reserved Capacity) : _____

6.0 Designation of party(ies) subject to reciprocal service
obligation: _____

7.0 Name(s) of any Intervening Systems providing transmission
service:

8.0 Service under this Agreement may be subject to some combination
of the charges detailed below. (The appropriate charges for
individual transactions will be determined in accordance with the
terms and conditions of the Tariff.)

8.1 Transmission Charge:

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge:

8.4 Ancillary Services Charges:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Attachment A-1, Svc Agrmt - Resale, Reassign, Transfer of LT Non-Firm PTP, 0.0.0, A
Record Narrative Name:
Tariff Record ID: 53
Tariff Record Collation Value: 6050000 Tariff Record Parent Identifier: 0
Proposed Date: 9998-12-31
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

ATTACHMENT A-1

Form Of Service Agreement For The Resale, Reassignment Or Transfer Of Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (the Assignee).
- 2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee, to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and

delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.

- 4.0 The Transmission Provider shall credit the Reseller for the price reflected in the Assignee's Service Agreement or the associated OASIS schedule.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Assignee:

6.0 The Tariff is incorporated herein and made a part hereof.

7.0 Transmission capacity: Due to the nature of the MBPP, the total transmission capacity of Basin Electric's Transmission System may vary. As a result:

- a. If there is a reduction in total transmission capacity, the reservation under this Service Agreement will be reduced in accordance with the NERC transmission service reservation priorities, as follows:
 - i. First, Non-Firm Point-to-Point Transmission Service
 - ii. Second, Short-Term Firm Point-to-Point Transmission Service
 - iii. Third, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service

If there are multiple reservations within each category, the shortest term reservation will be reduced first. For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, all reservations will be reduced pro rata.

- b. If there is an increase in total transmission capacity, Transmission Customers and Network Customers will have the opportunity to increase the reservation under this Service Agreement in accordance with the NERC transmission service reservation priorities, as follows:

- i. First, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service
- ii. Second, Short-Term Firm Point-to-Point Transmission Service
- iii. Third, Non-Firm Point-to-Point Transmission Service

For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, if more than one customer desires to increase its reservation, the reservations will be increased pro rata. If there are multiple reservations within the second or third categories, the Transmission Customer with the longest term reservation will be given the first opportunity to increase its reservation.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name Title Date

Assignee:

By: _____
Name Title Date

Specifications For The Resale, Reassignment Or Transfer of
Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

5.0 Maximum amount of reassigned capacity: _____

6.0 Designation of party(ies) subject to reciprocal service
obligation: _____

7.0 Name(s) of any Intervening Systems providing transmission
service:

8.0 Service under this Agreement may be subject to some combination of the
charges detailed below. (The appropriate charges for individual transactions will
be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: _____

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

9.0 Name of Reseller of the reassigned transmission capacity:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Attachment B, Service Agreement for Non-Firm PTP Trans Service, 0.0.0, A
Record Narrative Name:
Tariff Record ID: 54
Tariff Record Collation Value: 6150000 Tariff Record Parent Identifier: 0
Proposed Date: 9998-12-31
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

ATTACHMENT B

Form Of Service Agreement For Non-Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Transmission Customer:

7.0 The Tariff is incorporated herein and made a part hereof.

8.0 Charges for Service: Charges for Firm Point-To-Point Transmission Service shall be calculated in accordance with Schedule 7 attached hereto and made a part of this Service Agreement.

9.0 Transmission capacity: Due to the nature of the MBPP, the total transmission capacity of Basin Electric's Transmission System may vary. As a result:

- a. If there is a reduction in total transmission capacity, the reservation under this Service Agreement will be reduced in accordance with the NERC transmission service reservation priorities, as follows:
 - i. First, Non-Firm Point-to-Point Transmission Service
 - ii. Second, Short-Term Firm Point-to-Point Transmission Service
 - iii. Third, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service

If there are multiple reservations within each category, the shortest term reservation will be reduced first. For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, all reservations will be reduced pro rata.

- b. If there is an increase in total transmission capacity, Transmission Customers and Network Customers will have the opportunity to increase the reservation under this Service Agreement in accordance with the NERC transmission service reservation priorities, as follows:
 - i. First, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service

- ii. Second, Short-Term Firm Point-to-Point Transmission Service
- iii. Third, Non-Firm Point-to-Point Transmission Service

For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, if more than one customer desires to increase its reservation, the reservations will be increased pro rata. If there are multiple reservations within the second or third categories, the Transmission Customer with the longest term reservation will be given the first opportunity to increase its reservation.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
 | Name Title Date

Transmission Customer:

By: _____
 | Name Title Date

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Attachment C, Methodology to Assess Avail Transfer Capability, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 55

Tariff Record Collation Value: 6250000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

ATTACHMENT C

Methodology To Assess Available Transfer Capability

- (1) Detailed description of the specific mathematical algorithm used to calculate firm and non-firm Available Transfer Capability (“ATC”) for scheduling, operating and planning horizons.

Scheduling Horizon

- a. Firm ATC = $TTC - TRM - ETC$
- b. Non-Firm ATC = $TTC - TRM * Coef - ETC$

Operating Horizon

- a. Firm ATC = $TTC - TRM - ETC$
- b. Non-Firm ATC = $TTC - TRM * Coef - ETC$

Planning Horizon

- a. Firm ATC = $TTC - TRM - ETC$
- b. Non-Firm ATC = $TTC - ETC$

The Transmission Provider's ATC algorithms are also available on the Transmission Provider's OASIS website.

- (2) A process flow diagram that illustrates the various steps through which ATC/AFC is calculated

Start

Post Firm
ATC

Path Studies and/or WECC/West Connect processes completed to determine path rating/Operating
Transfer Capability (OTC) by WECC season

Planning Horizon

Operating/Scheduling
Horizon
Non-FIRM Capacity Released
Calculate FIRM ATC =
TTC – TRM -- ETC
Determine the Transmission Provider's TCC

Calculate
Non-FIRM ATC = TTC -
TRM*Coef – ETC

(3) Detailed explanation of how each of the ATC components is calculated for both the operating and planning horizons

a. For TTC:

i. Definition of TTC:

Total Transfer Capability (TTC): The amount of electric power that can be transferred over a specific path within the Transmission Provider's interconnected transmission network in a reliable manner while meeting all of a specific set of defined pre- and post- contingency system conditions. TTC is a variable quantity, dependent upon operating conditions in the near term and forecasted conditions in the long term. TTC shall be calculated consistent with the requirements of FERC, NERC, and WECC as needed to represent system conditions, but no less frequently than seasonally. TTC cannot exceed the path rating.

ii. TTC calculation methodology.

- For transmission facilities that will affect the Western Interconnection, the determination of TTC is accomplished through the WECC Path Rating Process. The Transmission Provider follows the ATC methodology adopted by WECC and presented in the WECC Document Determination of Available Transfer Capability Within the Western Interconnection. Seasonal Operating Transfer Capability (OTC) studies are completed to determine the limit at which a transmission path can be operated at and still meet reliability requirement under an N-1 (single contingency) condition. The study results are reviewed and approved through WECC Operating Transfer Capability Planning Committee (OTCPC) regional processes.
- TTC is determined either prior to a new transmission component being brought into service or when a modification to a transmission component would affect the TTC.
- Once the TTC determination is made, it remains fixed and changes only if there is a physical or operational change to the transmission system or a transmission component which requires a change to TTC.
- When transmission facilities are jointly owned, the capacity is allocated among the owners based on the

joint ownership or participation agreement; therefore, the TTC of the jointly owned facilities will be based upon the capacity allocated to each Transmission Provider.

- If a WECC defined path must be separated into components to properly allow for the commercial use of the path and its components, the components' TTCs will be based on the same studies used to determine the path OTC or the thermal rating of the components. The sum of the components' TTCs will not exceed the path OTC.
- For internal constraints, the net of local load and local generation may be used to determine TTC and/or ATC.
- Narratives explaining changes to monthly and/or yearly TTC are posted on the Transmission Provider's OASIS.

iii. List of databases used in TTC assessments:

The Transmission Provider utilizes the NERC and WECC contract path methodology to determine TTC on its Transmission System. The determination of the TTC for paths on the Transmission System is segment dependent. However, the tools used to determine TTC is the same for all segments, i.e., the GE PSLF powerflow and stability programs using system modeling data obtained through WECC.

iv. Assumptions used in TTC assessments:

Paths with established transfer capabilities will not be evaluated unless there is a valid reason for doing so, such as a component change or new configuration, which could affect the transfer capability. Should a change in a WECC rated path warrant restudying, the required studies for the path will be performed through the WECC Path Rating Process. Should a change in a non-WECC rated path warrant restudying, the required studies for the path will follow the WECC rated path methodology, but not be brought through the WECC Path Rating Process. However, the study process will be

performed through the applicable regional or subregional planning group.

b. For ETC:

i. Definition of ETC.

Existing Transmission Commitments (ETC): ETC is transmission that is already committed for use.

There are four types of committed uses: 1) native load uses; 2) existing commitments for purchase/exchange/deliveries/sales; 3) existing commitments for transmission service (Pre-FERC Order No. 888, Post-FERC Order No. 888, Point-to-Point and Network); and 4) other pending potential uses of transfer capability (non-confirmed transmission service requests). The Transmission Provider determines ETC as the total of all contracts using a contract path methodology.

ii. Explanation of calculation methodology used to determine the transmission capacity to be set aside for Native Load Customers and non-Tariff customers:

- The Transmission Provider shall determine the impact of firm ETCs based on the following inputs:
- The transmission capability utilized in serving congressionally mandated power deliveries to any preference customers from the Federally owned generating plants.
- The impact of firm Network Integration Transmission Service serving load, to include load forecast error and losses not otherwise included in TRM.
- The impact of grandfathered firm transmission service agreements and bundled contracts for energy and transmission, where executed prior to the Effective Date.
- The impact of Firm Point-to-Point Transmission Service.
- The impact of any Ancillary Services not otherwise

included in TRM.

- Post-backs of redirected or released firm services.
- The impact of any other services, contracts, or agreements not specified above using transmission that serves preference customers or Network Integration Transmission Service customers.

- iii. How Point-to-Point Transmission Service requests are incorporated.

Point-to-Point service agreements are modeled using the specified megawatt quantity, Point of Receipt, Point of Delivery, and contract term.

- iv. How rollover rights are accounted for:

The Transmission Provider takes into consideration an existing Transmission Customer's rollover rights when assessing whether to confirm a new request for Long-Term Firm Point-to-Point Transmission Service. The Transmission Provider posts on OASIS potentially available ATC, including capacity associated with the rollover rights, but it does not grant new transmission service until such rollover rights have expired. This approach allows a customer viewing the Transmission Provider's posted ATC to consider all potentially available ATC and submit a request to obtain a queue position, should the existing Transmission Customer allow its rollover rights to expire. An OASIS assignment reference and queue time will be given to these new requestors. The new requests will be evaluated with the assumption that the existing Transmission Customer's rollover rights will rollover. If there is insufficient capacity to accommodate the transmission service request, the requests will follow the system impact study procedure outlined in section 19 of the Tariff.

- v. Processes for ensuring that non-firm capacity is released properly:

The Transmission Provider uses an offset value to account for unused transmission capacity which has not been scheduled (tagged) including the impact of netting schedules in the

opposite direction. A portion of the unused capacity is added to the non-firm ATC formula, thus increasing the ATC posting on OASIS. Due to the uncertain nature of this process and to prevent over-posting and subsequent curtailment of schedules, the Transmission Provider uses larger value of offset for the immediate hours than several hours in the future.

- c. If a Transmission Provider uses an AFC methodology to calculate ATC, it shall: (i) explain its definition of AFC; (ii) explain its AFC calculation methodology, (iii) explain its process for converting AFC into ATC for OASIS posting, (iv) list the databases used in its AFC assessments; and (v) explain the assumptions used in its AFC assessments regarding load levels, generation dispatch, and modeling of planned and contingency outages.

The Transmission Provider does not use an AFC methodology to calculate ATC.

- d. For TRM:

- i. Definition of TRM:

Transmission Reliability Margin (TRM): The amount of transmission transfer capability necessary to provide reasonable assurance that the interconnected transmission network will be secure, TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change.

- ii. TRM calculation methodology:

The Transmission Provider currently reserves TRM to support the activation of operating reserves via participation in Rocky Mountain Reserve Sharing Group and/or Southwest Reserve Sharing Group. The Transmission Provider's obligation to deliver reserves is calculated at a minimum of twice a year by the Reserve Sharing Group. In addition, the Transmission Provider may include an additional transmission capacity to account for its Network Customers' load forecast error and at certain paths to account for unscheduled flow.

iii. Databases used in TRM assessments:

The Transmission Provider uses a value between 0 to 1 for TRM Coefficient to release a portion of the capacity reserved under TRM as non-firm. The Transmission Provider uses its scheduling system, PI, and SCADA, WECC bases cases, and PSS E or GE PSLF in its calculation of TRM.

iv. Conditions under which the Transmission Provider uses TRM:

The Transmission Provider may use TRM for any of the following:

- Transmission necessary for the activation of operating reserves;
- Unplanned transmission outages;
- Simultaneous limitations associated with operating under a nomogram;
- Loading variations due to balancing of generation and load;
- Uncertainty in load distribution and/or load forecast;
- Allowanced for unscheduled flow.

e. For CBM:

i. Identification of the entity who performs the resource adequacy for CBM determination:

The Transmission Provider does not utilize CBM.

ii. The methodology used to perform the generation reliability assessment:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

iii. Explanation of whether the assessment method reflects a specific regional practice:

The Transmission Provider has established CBM of zero on

all transmission paths when calculating ATC.

iv. Assumptions used in this assessment:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

v. Basis for the selection of paths on which CBM is set aside:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

f. Additionally for CBM:

i. Explain definition of CBM:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

ii. List of databases used in CBM calculations:

The Transmission Provider does not use any databases in its CBM calculation,

iii. Demonstration that there is no double-counting of outages when performing CBM, TTC and TRM calculations:

Since the Transmission Provider has established CBM as zero on all transmission paths, the Transmission Provider cannot double count for outages.

g. Procedures for allowing use of CBM during emergencies (with explanation of what constitutes an emergency, entities that are permitted to use CBM during emergencies and procedure which is followed by the Transmission Provider's merchant function and other load-serving entities when they need to access CBM:

At this time, the Transmission Provider's Network Customers have not requested CBM set aside, therefore the Transmission Provider does not have CBM set aside.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Attachment D, Methodology for Completing a System Impact Study, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 56

Tariff Record Collation Value: 6350000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

ATTACHMENT D

Methodology for Completing a System Impact Study

Upon receipt of a valid request for service pursuant to the applicable terms and conditions of the Tariff, the Transmission Provider will perform a System Impact Study on a non-discriminatory basis for the requested transmission service. The study will employ Good Utility Practice, the engineering and operating principles, standards, guidelines, and criteria of the Transmission Provider, and applicable guidelines and standards established by the NERC, WECC, and any entity that has been authorized to promulgate or apply regional or national reliability planning standards (such as a regional transmission group), or any similar organization that may exist in the future of which the Transmission Provider is a member.

The Transmission Provider shall use its sole discretion as to the scope, details and methods used to perform the System Impact Study. However, at all times, the Transmission Provider will utilize methods and criteria consistent with those employed by the Transmission Provider for evaluating requirements for its Native Load Customers. Where possible, the Transmission Provider will utilize existing studies to evaluate new or upgraded service requests.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Attachment E, Index of Point-to-Point Transmission Service Customers, 0.0.0, A
Record Narrative Name:

Tariff Record ID: 57
 Tariff Record Collation Value: 6450000 Tariff Record Parent Identifier: 0
 Proposed Date: 9998-12-31
 Priority Order: 500
 Record Change Type: NEW
 Record Content Type: 1
 Associated Filing Identifier:

ATTACHMENT E

Index Of Point-To-Point Transmission Service Customers

<u>Customer</u>	<u>Date of service Agreement</u>
Public Service Company of Colorado	10/1/2000
Tri-State Generation and Transmission Association, Inc.	2/13/2002
Aquila, Inc. d/b/a Aquila Networks	8/8/2002
Aquila, Inc. d/b/a Aquila Networks-WPC	8/8/2002
Aquila, Inc. d/b/a Aquila Networks-WPK	8/8/2002
Black Hills Generation	9/9/2002
Black Hills Power	9/9/2002
Cargill Power Markets, LLC	1/30/2003
Morgan Stanley Capital Group, Inc.	2/24/2003
PacifiCorp	6/13/2005
Western Area Power Administration - Loveland Area Projects Marketing (LAP)	9/23/2008
Western Area Power Administration - Loveland Area Projects Marketing (LAP)	9/23/2008
Tenaska Power Services Co.	4/1/2010
Tenaska Power Services Co.	4/1/2010
Black Hills Power as a designated agent for Black Hills/Colorado Electric Utility Co., LP	11/29/2010
Black Hills Power as a designated agent for Black Hills/Colorado Electric Utility Co., LP	11/29/2010
EDF Trading North America, LLC	11/29/2010
EDF Trading North America, LLC	11/29/2010
Powerex Corp.	2/24/2011
Kansas Energy LLC	3/10/2011
Kansas Energy LLC	3/10/2011
Rainbow Energy Marketing Corporation	6/7/2011
Rainbow Energy Marketing Corporation	6/7/2011

PPL EnergyPlus, LLC, Registered with North American Electric Reliability Corporation as EPLU	8/15/2014
PPL EnergyPlus, LLC, Registered with North American Electric Reliability Corporation as EPLU	8/15/2014
Municipal Energy Agency of Nebraska, registered with North American Electric Reliability Corporation as MEANMN	11/21/2014
Municipal Energy Agency of Nebraska, registered with North American Electric Reliability Corporation as MEANMN	11/21/2014
Canadian Wood Products-Montreal Inc., registered with the North American Electric Reliability Corporation as CWPE01	1/7/2016
Canadian Wood Products-Montreal Inc., registered with the North American Electric Reliability Corporation as CWPE01	1/7/2016
Westar Energy, Inc., registered with North American Electric Reliability Corporation as WRGS	1/12/2016
Westar Energy, Inc., registered with North American Electric Reliability Corporation as WRGS	1/12/2016
ETC Endure Energy, LLC., registered with North American Electric Reliability Corporation as ENDU	8/14/2017
ETC Endure Energy, LLC., registered with North American Electric Reliability Corporation as ENDU	8/14/2017
Shell Energy North America (US), L.P., registered with the North American Electric Reliability Corporation as CORP	2/12/2018
Shell Energy North America (US), L.P., registered with the North American Electric Reliability Corporation as CORP	2/12/2018
Western Area Power Administration - Loveland Area Projects Marketing (LAPM)	8/14/2018
Macquarie Energy LLC, Registered with North American Electric Reliability Corporation as MCPI	12/27/2018
Macquarie Energy LLC, Registered with North American Electric Reliability Corporation as MCPI	12/27/2018
MAG Energy Solutions, Inc.	1/22/2019
MAG Energy Solutions, Inc.	1/22/2019

*All Short-Term Firm Point-to-Point Transmission Service agreements are listed on the Transmission Provider's OASIS

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Attachment F, Service Agreement for NITS, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 58

Tariff Record Collation Value: 6550000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

ATTACHMENT F

Service Agreement For Network Integration Transmission Service

- 1.0 This Service Agreement, dated as of _____ is entered into, by and between (the Transmission Provider), and _____(Network Customer).
- 2.0 The Network Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Tariff.
- 3.0 The Network Customer has provided the Transmission Provider an Application deposit in the amount of \$_____, in accordance with the provisions of Section 29.2 of the Tariff.
- 4.0 The Network Customer and the Transmission Provider have completed all necessary technical arrangements in accordance with the provisions of Sections 29.3 and 29.4 of the Tariff.
- 5.0 The Network Customer has executed a Network Operating Agreement with the Transmission Provider in accordance with Section 35.2 of the Tariff, as it may be amended from time to time.
- 6.0 Service under this Service Agreement shall commence on the later of: (1) the requested Start Date as stated in Section 1 of the Specifications to this Service Agreement, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this Service Agreement shall terminate on the Termination Date as stated in Section 1 of the Specifications to this Service Agreement.
- 7.0 The Transmission Provider agrees to provide and the Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III of the Tariff, as it may be amended from time to time, and this Service Agreement.
- 8.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Network Customer:

9.0 The Tariff, as it may be amended from time to time, Specifications for Network Integration Transmission Service, and the Network Operating Agreement are incorporated herein and made a part hereof.

8.0 Transmission capacity: Due to the nature of the MBPP, the total transmission capacity of Basin Electric's Transmission System may vary. As a result:

- a. If there is a reduction in total transmission capacity, the reservation under this Service Agreement will be reduced in accordance with the NERC transmission service reservation priorities, as follows:
 - i. First, Non-Firm Point-to-Point Transmission Service
 - ii. Second, Short-Term Firm Point-to-Point Transmission Service
 - iii. Third, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service

If there are multiple reservations within each category, the shortest term reservation will be reduced first. For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, all reservations will be reduced pro rata.

- b. If there is an increase in total transmission capacity, Transmission Customers and Network Customers will have the opportunity to increase the reservation under this Service Agreement in accordance with the NERC transmission service reservation priorities, as follows:

- i. First, Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service
- ii. Second, Short-Term Firm Point-to-Point Transmission Service
- iii. Third, Non-Firm Point-to-Point Transmission Service

For Long-Term Firm Point-to-Point Transmission Service and Network Integration Transmission Service, if more than one customer desires to increase its reservation, the reservations will be increased pro rata. If there are multiple reservations within the second or third categories, the Transmission Customer with the longest term reservation will be given the first opportunity to increase its reservation.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By:

_____	_____	_____
Name	Title	Date

Network Customer:

By:

_____	_____	_____
Name	Title	Date

Specifications for Network Integration Transmission Service

1.0 Term of Service: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Controls Area in which the transaction originates.

3.0 Network Resources: _____

Total Network Resources: _____

4.0 Network Loads: _____

Total Network Loads: _____

5.0 Designation of party(ies) subject to reciprocal service obligation: _____

6.0 Name of any intervening systems providing transmission service: _____

7.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

1.1 Load Ratio Share of Annual Transmission Revenue Requirement as determined pursuant to Section 34 of the Tariff: _____

1.1.1 For the first twelve months of Network Integration

Transmission Service under this Service Agreement commencing on the Start Date set forth in Section 1, above, the Network Customer's Load Ratio Share will be determined based on the Network Customer's average Load Ratio Share in the months in which the Network Customer has taken Network Integration Transmission Service.

1.1.2 After the first twelve months of Network Integration Transmission Service, the Load Ratio Share will be calculated on a rolling twelve-month average basis.

1.2 System Impact and/or Facilities Study Charge(s): _____

1.3 Direct Assignment Facilities Charge: _____

1.4 Ancillary Services Charges: _____

1.5 Redispatch Charge(s): _____

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Attachment G, Network Operating Agreement, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 59

Tariff Record Collation Value: 6650000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

ATTACHMENT G

Network Operating Agreement

[**Note:** It may be necessary to include additional provisions or revise the provisions of this Network Operating Agreement to take into account the particular circumstances of a Network Customer. Transmission Provider reserves the right to modify this form of Network Operating Agreement for individual Network Customers.]

_____ (Transmission Provider) and _____ (Network Customer) agree that the provisions of this Network Operating Agreement (NOA), dated _____ and the Parties' Service Agreement for Network Integration Transmission Service dated _____ (Service Agreement) govern the transmission service to the Network Customer in accordance with the Transmission Provider's Open Access Transmission Tariff (Tariff). Unless specified herein, capitalized terms shall refer to the terms defined in the Tariff.

1.0 Character of Service

Power and energy delivered under the Service Agreement and this NOA shall be delivered as three-phase alternating current at a frequency of approximately sixty (60) Hertz, and at the nominal voltages at the Point(s) of Delivery (POD) and Point(s) of Receipt as specified in the Service Agreement.

2.0 Balancing Authority Area Requirements

- (a) Neither the Transmission Provider nor the Network Customer is a Balancing Authority Area (referred to and defined as "Control Area" in the Tariff). The Network Customer shall satisfy its requirements, including all Ancillary Services not procured from the Transmission Provider nor self-provided, by contracting with another entity that can satisfy those requirements in a manner that is consistent with Good Utility Practice and satisfies NERC and WECC standards.
- (b) The Network Customer shall report all existing and future Generation Source(s) (defined in Section 6 of this NOA) connected to its system to the Transmission Provider and the Balancing Authority Area operator. The Network Customer shall report all planned Generation Source(s) with as much notice as practical to the Transmission Provider and the Balancing Authority Area operator. The Network Customer shall report the type of generation installed or to be installed, the total name plate rating of the generation to be installed and the electrical location of where the generation is installed or will be installed. Network Customer agrees to telemeter in real time all generation to the Transmission Provider and the Balancing Authority Area operator in a format acceptable to the parties.

- (c) If the Balancing Authority Area sets forth any other requirements either on the Transmission Provider or the Transmission Customer as a result of the Network Customer's transmission service under this NOA, all costs associated with complying with those requirements will be the responsibility of the Network Customer.
- (d) The Network Customer and the Transmission Provider shall plan, construct, operate, and maintain their respective facilities and system in accordance with Good Utility Practice, which shall include, but not be limited to, all applicable guidelines of NERC and WECC, as they may be modified from time to time, and any generally accepted practices in the region.

3.0 Operating Requirements

- (a) The Network Customer shall operate its existing and future Generation Sources in a manner consistent with that of the Transmission Provider, including following voltage schedules, providing governor response, meeting power factor requirements at the point of interconnection with the Transmission System, and other such criteria required by NERC and WECC and/or consistently adhered to by the Transmission Provider and in a manner consistent with Good Utility Practice and applicable law.
- (b) Insofar as practicable, the Transmission Provider and the Network Customer shall protect, operate, and maintain their respective systems so as to avoid or minimize the likelihood of disturbances that might cause impairment of service on the system of the other.

4.0 Redispatch and Curtailment

If the Transmission Provider determines that redispatching resources or curtailing resources to relieve an existing or potential transmission system constraint is the most effective way to ensure the reliable operation of the Transmission System, the resources of the Transmission Provider and the Network Customer will be redispatched or curtailed without regard to the ownership of such resources. The Transmission Provider will apprise the Network Customer of its redispatch and curtailment practices and procedures, as they may be modified from time to time.

5.0 Load Shedding and Load Shedding Equipment

- (a) The Parties shall implement and maintain load shedding programs to maintain the reliability and integrity of the Transmission System, as provided in Section 33.6 of the Tariff. Load shedding shall include: (1) automatic load shedding by underfrequency and/or undervoltage relay and (2) manual load shedding. The Transmission Provider will order load shedding to maintain the relative

sizes of load served, unless otherwise required by circumstances beyond the reasonable control of the Transmission Provider. Automatic load shedding devices will operate without notice. However, when manual load shedding is necessary, the Transmission Provider shall notify the Transmission Customer's dispatchers or schedulers of the required action and the Transmission Customer shall comply immediately.

- (b) The Transmission Customer shall, at its own expense, provide, operate, and maintain in service high-speed, digital underfrequency and/or undervoltage load shedding equipment. The Transmission Customer will install underfrequency and/or undervoltage relays as necessary in a manner consistent with the Transmission Provider's existing coordinated Under Frequency Load Shedding Program and Under Voltage Load Shedding schemes when applicable in compliance with any applicable NERC and WECC requirements. If the Transmission Customer also has obligations under any NERC and WECC requirements and has not contractually delegated those responsibilities to the Transmission Provider, the Transmission Customer shall be responsible for all costs associated to provide, operate, and maintain in service the Transmission Customer's load shedding equipment in accordance with the applicable requirements.
- (c) In the event the Transmission Provider modifies its load shedding program, the Transmission Customer shall, at its expense, make all necessary changes to its automatic and manual load shedding (as applicable) equipment and the settings of such equipment. The Transmission Provider may request a test of the Transmission Customer's load shedding equipment with reasonable notice.
- (d) In the event that the Network Customer fails to shed load in accordance with this Section 5, the Network Customer shall be charged in accordance with the Tariff. Continued failure to comply with the load shedding requirements of this Section 5 may also result in termination of this NOA and the Service Agreement.

6.0 Metering

- (a) Meter Ownership, Operation and Maintenance Responsibilities.
 - i. All metering and associated metering equipment for this NOA shall conform to Good Utility Practice and the standards and practices for the Balancing Authority Area(s).
 - ii. POD Meters: The Transmission Provider owns and, at no expense to the Transmission Customer, is responsible for operation, maintenance, repair, and replacement of the following POD meters and associated metering

equipment (POD Meters):

- iii. Generation Source Meters: The Network Customer, at no expense to the Transmission Provider, shall own, procure, install, operate, maintain, repair, and replace meters and communication for all Network Customer's generating resources (including any generating resources located behind the POD for which the Network Customer takes title to or is deemed to take title to the energy of such generating resource) located behind the POD (Generation Source(s)), including meters currently existing at the Solar Sites (defined in Section 7 of this NOA) and meters installed on all future Generation Source(s) (these meters collectively are referred to as "Generation Source(s) Meters").
 - 1) At least sixty (60) calendar days in advance of operation of any new Generation Source(s) on the Network Customer's system, the Network Customer shall notify the Transmission Provider of any new Generation Source(s) used to serve the Network Customer's Network Load.
- iv. Network Resource Meters: The Network Customer, at no expense to the Transmission Provider, shall own, procure, install, operate, maintain, repair, and replace meters and communication at all Network Resources used to serve the Network Customer's Network Load.

(b) Losses.

Electric capacity and energy delivered to the Network Customer's Network Load by the Transmission Provider will be measured by meters installed at the POD for such Network Load.

(c) Meter Data.

- i. POD Meters.
 - 1) The Transmission Provider will read the POD Meters remotely.
 - 2) Transmission Provider shall make available, and Network Customer authorizes Transmission Provider to provide, revenue quality data on a real time basis necessary to determine Network Customer's Network Load to the Balancing Authority and to other transmission providers as necessary.
 - 3) The Network Customer shall support the Transmission Provider's ability to read such meters remotely.

- 4) If at any time the Transmission Provider is unable to remotely read the POD Meters, and the issue causing the Transmission Provider's inability to read such meters is within the Network Customer's ability to resolve and the Network Customer fails to resolve such issue, Transmission Provider shall invoice the Network Customer based on the Network Customer's peak load provided in the data furnished under Section 9.b for the period under which Transmission Provider was unable to read such meters.
- 5) Transmission Provider's meter data information for the POD Meters will remain available to the Network Customer for three (3) years after the date of the meter reading.

ii. Generation Source(s) Meters.

- 1) Network Customer grants to the Transmission Provider the right to remotely read Network Customer's Generation Source(s) Meters located behind the POD and pursuant to Section 7 of this NOA, interrogate Network Customer's existing and any new generation remote terminal units (RTUs).
- 2) Network Customer will provide to Transmission Provider meter data information for any Generation Source(s) Meters not equipped to remotely read such information on a monthly basis no later than the 8th of every month. Should the 8th fall on a Saturday or Sunday or a holiday, the Generation Meter Data shall be submitted to the Transmission Provider no later than the first weekday prior to the 8th.
- 3) Generation reflected in the Network Customer's Generation Source(s) Meters will be added to the POD Meters (as adjusted for losses pursuant to Section 6.b) to determine Network Customer total monthly Network Load pursuant to Section 34 of the Tariff.
- 4) If at any time the Transmission Provider is unable to remotely read Network Customer's Generation Source(s) Meters or unable to interrogate Network Customer's generation RTUs, Transmission Provider may, at its sole discretion, include in the Network Customer's monthly invoice for Network Integrated Transmission Service the full name plate capability of the Network Customers Generation Source(s), regardless if the Generation Source(s) was on line until reliable telecommunications facilities are provided and Transmission Provider is able to remotely read Network Customer's Generation Source(s) Meters and able to interrogate Network Customer's generation RTUs.

- 5) Network Customer's meter data information for the Generation Source(s) Meters will remain available to the Transmission Provider for three (3) years after the date of the meter reading.

(d) Meter Testing.

- i. At the Network Customer's expense, the Generation Source(s) Meters will be tested at least annually by the Network Customer. Representatives of the Transmission Provider will be afforded an opportunity to witness such tests. In the event the test shows the meter to be inaccurate, the Network Customer will make any necessary adjustments, repairs or replacements thereon.
- ii. At the Network Customer's expense, the Transmission Provider will, upon request of the Network Customer but not more than twice annually, test any POD Meters used for determining the receipt or delivery of capacity and energy by the Transmission Provider. In the event the test shows the meter to be inaccurate, the Transmission Provider will make any necessary adjustments, repairs or replacements thereon.
- iii. In the event any meter used to measure capacity and energy fails to register or is found to be inaccurate, appropriate billing adjustments will be made based on the best information available. An inaccurate meter is one that exceeds one percent (1%) plus or minus of the calibrated standard. If, as a result of any test, a meter is found to register in excess of one percent (1%) either above or below normal, then the reading of such meter previously taken will be corrected according to the percentage of inaccuracy so found, but no correction will extend beyond ninety (90) calendar days previous to the day on which the inaccuracy is discovered by such test.

(e) Meter Access:

- i. In the event that any of the POD Meters are located within or attached to the Network Customer's equipment, the Network Customer grants the right for such arrangement to the Transmission Provider, or its employees, agents and contractors, and grants access to the POD Meters at all reasonable hours and for any reasonable purpose, including but not limited to testing, maintenance, repair, replacement of the metering equipment and associated communication equipment.
- ii. The Network Customer grants to the Transmission Provider, its employees, agents, and contractors, a non-exclusive license to install, operate, maintain, repair, replace, and test the Transmission Provider's equipment.

- iii. Should the Transmission Provider desire to witness the testing of the Generation Source(s) Meters located behind the POD pursuant to Section 6.d.i. of this NOA, the Network Customer permits the Transmission Provider access to such meters at all reasonable hours.

(f) Check Meters:

The Network Customer has the right, at its expense to install suitable metering equipment at any POD, as herein provided for the purpose of checking the meters installed by the Transmission Provider.

7.0 Operational Information

The Network Customer shall provide data to the Transmission Provider that is needed for the safe and reliable operation of the Network Customer's and the Balancing Authority Area(s) and to implement the provisions of the Tariff.

- (a) By September 1st of each year, the Network Customer shall provide its Network Resource availability forecast, including all Network Customer's Generation Source(s) (e.g., all planned resource outages, including off-line and on-line dates) for the following year to the Transmission Provider. Such forecast shall be made in accordance with Good Utility Practice. The Network Customer shall inform the Transmission Provider, in a timely manner, of any changes to the Network Customer's Network Resource availability forecast. In the event that the Transmission Provider determines that such forecast cannot be accommodated due to a transmission constraint on the Transmission System, or that such forecast may jeopardize the reliability of the Transmission Provider's system, the provisions of Section 33 of the Tariff will be implemented.
- (b) At least 48 hours in advance of the beginning of every calendar day, the Network Customer shall provide its best forecast of any planned transmission or Network Resource outage(s) and other operating information that would assist the Transmission Provider in the reliable operation of the Balancing Authority Area(s). In the event that such planned outages cannot be accommodated due to a transmission constraint on the Transmission Provider's Transmission System, the provisions of Section 33 of the Tariff will be implemented.
- (c) The Transmission Provider and the Network Customer shall notify and coordinate with the other party prior to the commencement of any work by either party (or contractors or agents performing on work their behalf), which work may directly or indirectly have an adverse effect on the Balancing Authority Area(s) of the other party.

- (d) The Transmission Provider has established a Network Operating Committee (Committee) for all of the Transmission Provider's Network Customers in order to coordinate operating criteria for the Parties' respective responsibilities under their Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

8.0 Network Planning

- (a) To protect the integrity of the transmission systems, the Network Customer shall not connect or allow any third-party to connect an electric generating facility to the Transmission Provider's or the Network Customer's transmission or distribution system ("Proposed Interconnection") until the Network Customer and Transmission Provider have studied, or have reviewed the other Party's study, assessing the impacts of the Proposed Interconnection on the Parties' transmission and distribution systems. Any Proposed Interconnection shall be consistent with: 1) Transmission Provider's Tariff; 2) any applicable NERC requirements; and 3) facility interconnection requirements as may be required by Transmission Provider, Network Customer, or a third party, as applicable. Any required mitigation methods identified in the studies shall be agreed to among the applicable parties prior to such connection.
- (b) In order for the Transmission Provider to plan, on an ongoing basis, to meet the Network Customer's requirements for Network Integration Transmission Service, the Network Customer shall provide, by September 1st of each year, updated information (current year and 10-year projection) for Network Load and Network Resources including all Network Customer's Generation Source(s), any other information reasonably necessary to plan for Network Load and Network Resources, and any other information reasonably necessary to plan for Network Integration Transmission Service. This type of information is consistent with the Transmission Provider's information requirements for planning to serve Native Load Customers. The data will be provided in a format consistent with that used by the Transmission Provider.

9.0 Transfer of Power and Energy Through Other Systems

Since the Transmission System is, and will be, directly or indirectly connected with other electric systems, it is recognized that, because of the physical and electrical characteristics of the facilities involved, power delivered under the Service Agreement and this NOA may flow through such other systems. The Parties agree to advise other operators of electric systems as deemed appropriate of scheduled transfers and to maintain good relationships with affected third

parties.

10.0 Dispute Resolution

Any dispute among the Parties regarding this NOA shall be resolved pursuant to Section 12 of the Tariff, or otherwise, as mutually agreed by the Parties.

11.0 Notice

Any notice or request made to or by either Party regarding this NOA shall be made to the representative of the other Party as indicated in the Service Agreement.

12.0 Incorporation

The Tariff and the Service Agreement are incorporated herein and made a part hereof.

13.0 Term

The term of this NOA shall be concurrent with the term of the Service Agreement between the Parties.

14.0 Severability

In the event that any of the terms, covenants or conditions of this NOA, its exhibits, or the application of any such term, covenant, or condition shall be held invalid by any court or administrative body having jurisdiction, it is the intention of the Parties that in lieu of each such term, covenant or condition that is invalid, there be added as part of this NOA, a valid term, covenant, or condition as similar in terms as possible to such invalid term, covenant or condition. The other terms of this NOA shall not be affected by a holding that any term hereof is invalid; and they shall remain in full force and effect notwithstanding any such holding.

15.0 Amendments

This NOA may be amended, changed, modified or altered, provided that such amendment, change, modification or alteration shall be in writing and signed by both Parties.

16.0 Governing Law

Except as governed by federal law, this NOA shall be governed by and construed in accordance with internal laws of the State of Colorado, without giving effect to any choice or conflict of law provision or rule (whether of the State of Colorado or any other jurisdiction) that would cause the application of laws of any jurisdiction

other than those of the State of Colorado.

17.0 Liability

Neither Party and its directors, officers, employees or agents shall be liable for any loss of earnings, revenues, indirect or consequential damages or injury which may occur to the other Party as a result of outages in delivery of service hereunder.

IN WITNESS WHEREOF, the parties have caused this NOA to be executed by their respective authorized officials.

TRANSMISSION PROVIDER

By: _____

Name

Title

Date

NETWORK CUSTOMER.

By: _____

Name

Title

Date

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Attachment H, ATRR for NITS, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 60

Tariff Record Collation Value: 6750000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

ATTACHMENT H

Annual Transmission Revenue Requirement For Network Integration Transmission Service

1. The Annual Transmission Revenue Requirement for purposes of the Network

Integration Transmission Service shall be \$6,548,163.

2. The amount in (1) shall be effective until amended by the Transmission Provider or modified by the Commission.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Attachment I, Index of NITS Customers, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 61

Tariff Record Collation Value: 6850000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

ATTACHMENT I

Index of Network Integration Transmission Service Customers

Customer	Date of Service Agreement
Basin Electric Power Cooperative*	4/29/1977

*Existing firm service equivalent to Network Integration Transmission Service provided pursuant to the Missouri Basin Power Project Laramie River Electric Generating Station and Transmission System Participation Agreement

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Attachment J, Procedures for Addressing Parallel Flows, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 62

Tariff Record Collation Value: 6950000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

ATTACHMENT J

Procedures for Addressing Parallel Flows

The Transmission Provider shall implement Curtailment of Transmission Service in accordance with NERC and WECC guidelines and policies, including congestion management under WECC Standard IRO-STD-000-0.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Attachment K, Transmission Planning Process, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 63

Tariff Record Collation Value: 7050000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

ATTACHMENT K

Transmission Planning Process

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Attachment K

Transmission Planning Process

I. Overview of the Basin Electric Missouri Basin Power Project Transmission Planning Process

Basin Electric Power Cooperative (Basin Electric) jointly owns a transmission system referred to as the Missouri Basin Power Project (MBPP). This Attachment K applies only to Basin Electric's Transmission System, as defined in Section 1 of this Tariff. Transmission Provider provides Point-To-Point Transmission Service (PTP) and Network Integration Transmission Services (NITS) under this Tariff. The Tariff Administrator shall administer the Transmission Provider's responsibilities related to the regional transmission planning process contained in this Attachment K, as applicable.

Transmission Provider's transmission planning process is intended to facilitate the development of electric infrastructure that maintains reliability, responds to service requests and meets load growth, and is based on the following objectives:

- Maintain reliable electric service.
- Improve the efficiency of electric system operations, including the provision of open and non-discriminatory access to its transmission facilities.
- Identify and promote new investments in transmission infrastructure in a coordinated, open, transparent and participatory manner.

The transmission planning process conducted by Transmission Provider allows interested parties, including, but not limited to, NITS and PTP customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources, neighboring transmission providers, state and local regulatory bodies, and other stakeholders (jointly, Stakeholders) input into and participation in all stages of development of the transmission plan, including participation in a series of open planning meetings.

In addition to its local transmission planning process, Transmission Provider coordinates its transmission planning with other transmission providers and Stakeholders in the Rocky Mountain region, and the Western Interconnection as a whole, through its active participation in the Colorado Coordinated Planning Group (CCPG), membership in the Western Electricity Coordinating Council (WECC), and membership in WestConnect. WestConnect was formed under a memorandum of understanding voluntarily entered into by FERC jurisdictional and non-jurisdictional transmission-providing electric utilities in

the Western Interconnection. The purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market shareholders, and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint. The WestConnect Order No. 1000 regional transmission planning management committee (the Planning Management Committee or PMC) will conduct the regional transmission planning process under the principles set forth in FERC's order *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 (2007), *et al.* (collectively, "Order No. 890"), and carried forward in FERC's order *Transmission Planning and Cost Allocation by Transmission Owning and Operating Utilities*, Order No. 1000, 136 FERC ¶ 61,051 (2011), *et al.* (collectively, "Order No. 1000").

Three subregional planning groups operate within the WestConnect footprint: CCPG, the Southwest Area Transmission (SWAT) group, and the Sierra Coordinated Planning Group. WestConnect's planning effort, which includes funding and provision of planning management, analysis, report writing, and communication services, supports and manages the coordination of the subregional planning groups and their respective studies. Such responsibilities are detailed in the WestConnect Project Agreement for Subregional Transmission Planning (WestConnect STP Agreement), dated May 23, 2007 (*see* www.westconnect.com), the WestConnect Planning Participation Agreement Amended and Restated February 8, 2016 (*see* www.westconnect.com), and other project agreements that may be entered into from time to time. The Transmission Provider is a signatory to the WestConnect STP Agreement.

The subregional planning groups within the WestConnect footprint, assisted by the WestConnect planning manager, formed the WestConnect Planning Management Committee to comply with the requirements of Order No. 890 and Order No. 1000 and coordinate with other Western Interconnection transmission providers and their regional and subregional planning groups. WECC provides for the development and maintenance of an economic transmission study database for the entire Western Interconnection and performs annual congestion studies at the Western Interconnection regional level. The Transmission Provider's participation in interregional planning in compliance with Order No. 1000 is set out in Part VIII of this Attachment K.

A. Definitions

Capitalized terms used within this Attachment K that are not otherwise defined herein will have the same meaning as in Part I, Section 1 of the Tariff or in the WestConnect Planning Participation Agreement.

1. Additional Economic Studies: Economic Study Requests that are

not prioritized as the highest priority local study.

2. Alternative Qualifying Entity: As described in Section III.D.2.1
3. CCPG: Colorado Coordinated Planning Group or its successor organization.
4. Economic Study: An economic planning study designed to identify solutions that could relieve transmission congestion or integrate new resources and loads, including facilities to integrate new resources and loads on an aggregated or regional basis.
5. Economic Study Request: A request for an Economic Study. The Transmission Provider will classify each Economic Study Request as a Local Transmission Provider Economic Planning Request, Sub-Regional Economic Planning Request, or Regional Economic Planning Request.
6. Eligible Transmission Developers: As described in Section III.D.3.
7. Independent Transmission Developers and Owners: A WestConnect membership sector.
8. Key Interest Groups: A WestConnect membership sector
9. Local Transmission Plan or LTP: The transmission plan of the Transmission Provider that identifies the upgrades and other investments to the Transmission System or demand response necessary to reliably satisfy, over the planning horizon, Network Customers' resource and load growth expectations for designated Network Load; Transmission Provider's resource and load growth expectations for Native Load Customers; Transmission Provider's obligations pursuant to non-Tariff agreements; and the Transmission Provider's PTP customers' projected service needs including obligations for rollover rights.
10. Local Transmission Project: As described in Section VI.A.
11. Ownership Proposal: As described in Section VI.B.5.
12. Planning Participation Agreement: WestConnect Planning Participation Agreement Amended and Restated February 8, 2016.
13. Planning Region: Each of the following Order No. 1000

transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, ColumbiaGrid, Northern Tier Transmission Group, and WestConnect.

14. Public Policy Requirements: Those requirements enacted by state or federal laws or regulations, including those enacted by local governmental entities, such as a municipality or county.
15. Regional Entity: An entity responsible for compliance monitoring and enforcement pursuant to a FERC-approved delegation agreement with NERC.
16. Regional Plan: The transmission plan for a ten-year transmission planning horizon developed through the Regional Planning Process described in Section III, below.
17. Regional Planning Process: The WestConnect regional planning process, as described in Section III, below.
18. Reliability Standard: As defined in the Glossary of Terms Used in NERC Reliability Standards published on the NERC website ([see www.nerc.com](http://www.nerc.com)).
19. Stakeholder: Includes, but is not limited to, NITS and PTP transmission customers, sponsors of transmission solutions, generating solutions and solutions utilizing demand response resources, neighboring transmission providers, state and local regulatory bodies, and other parties.
20. Stakeholder Meeting: Meetings periodically held by the Transmission Provider for the purpose of soliciting input from Stakeholders on the Transmission Provider's LTP.
21. Standards of Conduct: Standards of Conduct for transmission providers described in 18 C.F.R. Part 358 and any successor provisions.
22. State Regulatory Commissions: A WestConnect membership sector
23. Transmission Customers: A WestConnect membership sector
24. Transmission Owner: As described in Section III.A, below.

25. Transmission Owners with Load Serving Obligations: A WestConnect membership sector.
26. Transmission Providers Transmission Coordination and Planning Committee or TCPC: A stand-alone advisory committee comprised of eligible Stakeholders who will provide input to the Transmission Provider's LTP.
27. WestConnect: The WestConnect Regional Transmission group or its successor organization.
28. WestConnect STP Agreement: WestConnect Project Agreement for Subregional Transmission Planning.

II. Local Transmission Planning Process

A. General Provisions for Local Transmission Planning Process

1. Types of Planning Studies

- a. Reliability Planning Studies. Reliability planning studies are performed to ensure that the Transmission Provider meets (a) all NITS and PTP customer needs for planned loads and resources, including demand response resources, for each year of the ten year planning horizon, and (b) all North American Electric Reliability Corporation (NERC), WECC, and local reliability standards. Reliability planning studies shall be coordinated with WestConnect and other regional transmission planning organizations as appropriate.
- b. Economic Planning Studies. The purpose of economic planning studies is to identify significant and recurring congestion on the Transmission Provider's Transmission System and/or address the integration of new resources and/or loads. Such studies may analyze any, or all, of the following: (i) the location and magnitude of the congestion, (ii) possible remedies for the elimination of the congestion, (iii) the associated costs of congestion, (iv) the costs associated with relieving congestion through system enhancements (or other means), and, as appropriate (v) the economic impacts of integrating new resources or/and loads.
- c. Consideration of Public Policy Requirements. For purposes of this Attachment K, "Public Policy Requirements" means those requirements enacted by state or federal laws or

regulations, including those enacted by local governmental entities, such as a municipality or county. Public Policy Requirements, as applicable, are incorporated into the load forecasts and/or are modeled in the local planning studies. Proposed public policy (public policy proposed before a governmental authority but not yet enacted) may be studied if time and resources permit.

2. Preparation of a LTP

- a. The Transmission Provider will prepare, with the input of interested Stakeholders, one LTP every year. The preparation of the LTP will be done in accordance with the general policies, procedures, and principles set forth in this Attachment K.
- b. The Transmission Provider will establish a process by which Stakeholders can discuss, question, or propose alternatives for input assumptions and upgrades identified by the Transmission Provider. The Transmission Provider will consider information obtained from Stakeholders for future planning cycles.
- c. The Transmission Provider will use a ten (10) year or other applicable planning horizon for the LTP. The transmission planning process will use reliability criteria established by the Transmission Provider, WECC, NERC and FERC.
- d. The LTP on its own does not effectuate any transmission service requests. Transmission service requests must be made in accordance with the procedures set forth in Part II of the Tariff and posted on the Transmission Provider's OASIS. Similarly, Network Customers must submit Network Resource and load additions or removals pursuant to the process described in Part III of the Tariff.
- e. The Transmission Provider will take the LTP into consideration, as appropriate, when preparing generator interconnection, transmission service, and economic studies. The Transmission Provider will take the generator interconnection, transmission service, and Economic Study results into consideration as appropriate when preparing the LTP.

- f. The Transmission Provider will prepare and develop the LTP using an open and coordinated process that includes input from Stakeholders as defined in Section II.D.3. Stakeholder input will occur at various phases throughout the study process consistent with the principles, practices, policy and procedures set forth in this Attachment K. The Transmission Provider, with interested Stakeholder input, will: (1) determine the study plan, define scenarios and develop base cases related to the LTP; (2) perform the technical study; (3) determine the preliminary LTP, based on the data produced during the technical study and if applicable, include timely submitted Economic Study Request results; and (4) report study results and the LTP to Stakeholders and affected parties.
- g. Limitations on Disclosure: While the Transmission Provider's LTP planning process will be conducted in the most open manner possible, the Transmission Provider has an obligation to protect sensitive information such as, but not limited to, information eligible for designation as Critical Energy Infrastructure Information (CEII), and the proprietary materials of third parties. Nothing in this Attachment K will be construed as compelling the Transmission Provider to disclose materials in contravention of any applicable regulation, contractual arrangement, or lawful order unless otherwise ordered by a governmental agency of competent jurisdiction. The Transmission Provider may employ mechanisms such as confidentiality agreements, protective orders, or waivers to facilitate the exchange of sensitive information where appropriate and available.
- h. The Transmission Provider will adhere to all applicable laws and regulations in preparing the LTP, including but not limited to any CEII included therein. Any Stakeholder or Transmission Provider participating in the planning process must adhere to the Commission's guidelines concerning CEII as set out in the Commission's regulations. Additional information concerning data eligible for designation as CEII, including a summary list of data that is determined by the supplying party to be eligible for designation as CEII, will be posted on the Transmission Provider's OASIS.

3. Coordination

- a. LTP Study Cycle: The Transmission Provider will prepare an LTP during a four (4) quarter study cycle.
- b. LTP Sequence of Events: The Transmission Provider will use the following timeline in preparing its LTP.
 - (i) Quarter 1: Data Collection, Study Scope and Scenario Development
 - (a) The Transmission Provider will gather: (1) Network Customers' projected loads, projected resources, and load growth expectations (based on annual updates under Part III of the Tariff); (2) Transmission Provider's projected loads and projected resource needs for its Native Load Customers; (3) PTP customers' projections for long-term (greater than 1 year) needs at each receipt and delivery point (based on information submitted by Eligible Customers to the Transmission Provider) including projections of rollover rights; (4) information from all transmission customers and the Transmission Provider on behalf of Native Load Customers concerning existing and planned demand resources and their impact on demand and peak demand; and (5) information from sponsors of transmission solutions, generating solutions and solutions utilizing demand response resources.
 - (b) The Transmission Provider will take into consideration, to the extent known or which may be obtained from its transmission customers and Stakeholders, obligations that will either commence or terminate during the applicable study window.
 - (c) Eligible Customer Economic Study Requests will also be submitted to the Transmission Provider during this quarter.
 - (d) The Transmission Provider will, with Stakeholder input, define the proposed LTP

study scope, objectives, and scenarios to be considered in development of the LTP. The Transmission Provider will post the official timelines for data submittals on its OASIS.

- (e) The Transmission Provider will have a Transmission Providers Transmission Coordination and Planning Committee (TCPC) meeting during the first quarter to accept Stakeholder input to the LTP, including Public Policy Requirements and potential stakeholder-suggested transmission needs driven by Public Policy Requirements. As part of the TCPC meeting, with Stakeholder input, the Transmission Provider will finalize study objectives, scenarios to be studied, discuss data collected, adequacy of the data, the need for any additional data and discuss applicable Economic Study Requests.
- (f) The Transmission Provider will finalize and post on the OASIS the basic methodology, planning criteria, assumptions and processes the Transmission Provider will use to prepare the LTP.
- (g) After the first quarter TCPC meeting, and no later than thirty (30) days before the fourth quarter TCPC meeting, the Transmission Provider will post on its OASIS an explanation of those transmission needs driven by Public Policy Requirements that have been identified for evaluation for potential solutions in the local transmission planning process and an explanation of why any suggested transmission needs driven by Public Policy Requirements will not be evaluated.

(ii) Quarter 2-3: Technical Study

- (a) The Transmission Provider will develop base cases that include load and resource data to represent the defined scenarios.

- (b) The Transmission Provider will conduct a combination of powerflow, transient stability studies, post transient power flow, or other studies deemed necessary to properly analyze the Transmission System.
- (c) The Transmission Provider will consider transmission and non-transmission solutions to mitigate system performance that does not meet reliability criteria. The Transmission Provider may consider the results from prior applicable Economic Studies.
- (d) The Transmission Provider may elect to post interim iterations of the draft plan or preliminary technical study results, and solicit comments prior to the end of the applicable quarter. The Transmission Provider will seek interested Stakeholder input regarding advantages and disadvantages associated with proposed solutions in the transmission plan or technical study.

(iii) Quarter 4: Decision and Reporting

- (a) The Transmission Provider will solicit Stakeholder input when determining selection criteria and weighting to be used in determining the best transmission or non-transmission solution identified in the draft LTP. Advantages and disadvantages to each solution will also be considered.
- (b) Selection criteria may include, but are not limited to, the following:
 - (i) Total present value of upgrade costs
 - (ii) Time available to implement upgrade
 - (iii) System performance with each solution
 - (iv) Probability of scenario requiring a solution

- (v) Environmental assessment and/or costs
 - (vi) Non-quantifiable assessment
 - (c) The Transmission Provider will prepare and publish a draft LTP report on its OASIS and solicit input from all Stakeholders.
 - (d) Using data and information from the technical study, and considering Stakeholder input, the Transmission Provider will define its ten (10) year LTP.
 - (e) The final LTP report will be posted on the Transmission Provider's OASIS and provided to applicable sub-regional and regional entities conducting similar planning efforts, interested Stakeholders, and the owners and operators of the neighboring interconnected transmission systems.
 - (f) The responsibility for the LTP will remain with the Transmission Provider who may accept or reject in whole or in part, the comments of any Stakeholder unless prohibited by applicable law or regulation.
- c. Stakeholder Meetings: The Transmission Provider will establish the TCPC to be used as the forum for Stakeholder input throughout the study cycle described in Section II.A.3. TCPC membership and meetings will be open to all Stakeholders, including but not limited to Eligible Customers, other transmission providers, and federal and state commissions. The Transmission Provider will utilize quarterly scheduled TCPC meetings to solicit, obtain, and coordinate the input of interested Stakeholders throughout the local transmission planning process. Notice of TCPC meetings will be posted on the Transmission Provider's OASIS with fifteen (15) business days' prior notice. A list of participants or members will be maintained and will receive email notifications for upcoming meetings. The location of the meeting will be selected by the Transmission Provider. The Transmission Provider will provide for alternate means of participation, to the extent practical and

economical, such as teleconference, web conference or other similar means. Instructions for participation in TCPC meetings will be posted and maintained on the Transmission Provider's OASIS.

- d. Stakeholder Comments: In addition to Stakeholder input noted in Section II.A.3 above, at each TCPC meeting, the Transmission Provider will: (1) discuss the status of the local transmission planning process, (2) summarize substantive study results if available, (3) present drafts of documents, and (4) receive Stakeholder comments on the overall transmission plan.
- e. OASIS Information: The Transmission Provider will post and maintain on its OASIS: (1) instructions, meeting notices points of contact, and other information necessary to participate in the TCPC meeting, or other means established for the purpose of soliciting the input of or coordinating with interested Stakeholders; (2) written comments received from interested Stakeholders, to the extent such comments are not confidential or subject to privilege; and (3) any draft LTP or any other documents the Transmission Provider deems necessary to promote coordination in the LTP study process. A complete list of OASIS posting requirements is defined in Section II.A.5 of Attachment K.

4. Information Exchange

- a. Types of Forecast Data: Stakeholders will submit annually information regarding their needs and proposed expansion plans to facilitate the LTP planning process. The obligation to make such submittals will not replace or supersede any requirements related to service or interconnection requests of PTP transmission customers and NITS customers or interconnected generators under other relevant sections and appendices of this Tariff. To facilitate the LTP, the transmission customer will provide the Transmission Provider the following types of data during the first quarter of every year per the schedule posted on the Transmission Provider's OASIS:
 - (i) Historical Data: Monthly historical energy, peak load and minimum load data for the prior calendar year and the historical energy, peak load and minimum load

data for all months of the current year as it becomes available.

- (ii) Load Forecast Data: NITS customers will provide their ten (10) year monthly energy, peak load and resource and minimum load and resource forecast data.
 - (iii) PTP and other transmission customers: To maximize the effectiveness of the transmission planning process, it is essential that all other transmission customers provide their ten (10) year forecast of their projected use of rollover of existing reservations and any expected additional reservations. The forecast will specify the Point of Receipt and Point of Delivery at the bus level.
 - (iv) Generation Forecast Data: Stakeholders will provide data from their own generators including, but not limited to, technical engineering data for their generators and interconnection facilities, peak capability, and expected maintenance schedule.
 - (v) Demand Response Resource, Demand Reduction, Conservation and Demand-side Management: Stakeholders will provide demand response resource savings, conservation savings, and other customer load reduction alternatives that would reduce or alter the load of the transmission customer.
 - (vi) Interruptible and Other: Stakeholders will be asked to supply a peak load forecast with and without the interruptible portion of the forecast data applied.
 - (vii) Other Supply Sources: Stakeholders will provide monthly energy and peak data for electrical supply sources not from generators including, but not limited to, receipt point and delivery point.
- b. Peak Load Forecast Temperature Adjustment: The Transmission Provider may request the temperature adjustment methodology to adjust the winter and summer peak load forecasts to an alternative (*e.g.*, 1-in-2, 1-in-10, and 1-in-20) probability assumption.

- c. Additional Information: Stakeholders will also provide to the Transmission Provider, upon request, the following information:
 - (i) Discussion of reasons for significant increase or decreases in load or generation forecast.
 - (ii) Source and vintage of load forecast and generation resource information.
 - (iii) Interruptible loads and demand response resources.
 - (iv) Weather assumptions associated with load forecasts.
 - (v) Other information as requested by the Transmission Provider.
- d. Economic Study Requests: Eligible Customers will submit Economic Study Requests no later than the end of the first quarter. Requests received after this time will be considered in the following annual study cycle.
- e. Stakeholder Obligation: Stakeholders will provide the Transmission Provider with generation, energy, peak and minimum load forecast, and demand response resources to the maximum extent practicable and subject to any necessary information protections.
 - (i) Stakeholders will provide timely written notice of material changes to information previously provided relating to its load, resources, or other aspects of its facility or operations affecting the Transmission Provider's ability to provide service.
 - (ii) If any Stakeholder fails to provide data as required by or otherwise participate in this local transmission planning process, the Transmission Provider cannot effectively include future needs in the Transmission Provider's LTP planning obligations. If any Stakeholder fails to provide data as required by or otherwise participate in this local transmission planning process, the Transmission Provider will plan the system based on the most recent load and resource data received.

- f. Comparability of Data: The Transmission Provider will send the same type of data request to all customers. The Transmission Provider will include in the LTP all valid data, along with appropriate comments on the data, received from transmission customers and Stakeholders.
- g. Confidentiality: Individual customer data will be treated as confidential and will be aggregated with other customer data for purposes of planning, reporting, and developing the Transmission Provider's LTP.
- h. Identification of Documents: Stakeholders and the Transmission Provider will identify confidential documents or market sensitive information supplied during the transmission planning process. Any Stakeholder or transmission provider seeking access to such confidential information must agree to adhere to the terms of a confidentiality agreement and establish a reasonable need for that information. The form of the Transmission Provider's confidentiality agreement will be developed initially by the Transmission Provider and posted on the OASIS.
- i. Protection of Information: Market sensitive data, commercially sensitive data, or other data identified as confidential by the transmission customer will be considered confidential. Confidential information will be disclosed only to those participants in the planning process that establish a reasonable need for that information and that execute the confidentiality agreement, and only in compliance with the Commission's Standards of Conduct; provided, however, any such information may be supplied to (i) federal, state or local regulatory authorities that request such information and protect such information subject to non-disclosure regulations, or (ii) upon order of a court of competent jurisdiction.
- j. Schedule of Collection: The Transmission Provider will submit a request for forecast data annually, but no later than close of business Friday of the second full week of January. The Transmission Provider will post on the OASIS the schedule, instructions, procedures, and requirements for the submission of data.

5. Transparency

a. OASIS Requirements

- (i) The Transmission Provider will maintain a “Transmission Planning” folder on the publicly accessible portion of its OASIS to distribute information related to this Attachment K. Business practices and other information pertaining to the LTP will also be posted in the “Transmission Planning” folder.
- (ii) The Transmission Provider will maintain in the “Transmission Planning” folder on the publicly accessible portion of OASIS a subscription service or “How-To-Contact-Us” folder whereby any person may contact the Transmission Provider to receive e-mail notices and materials related to the LTP process, or provide comments on the LTP process.
- (iii) Content of OASIS Postings. The Transmission Provider will post in the “Transmission Planning” folder on its OASIS:
 - (a) Transmission planning business practices along with the procedures for modifying the business practices;
 - (b) Study cycle timeline and data submittal schedule;
 - (c) Each Economic Study Request, and any response from the Transmission Provider;
 - (d) A summary of information discussed at each TCPC meeting or other similar meeting related to transmission planning;
 - (e) In advance of its discussion at any TCPC meeting, all materials to be discussed;
 - (f) Written comments submitted in relation to the LTP;
 - (g) All draft and final versions of the current LTP

and non-confidential supporting documents;

- (h) The final version of all completed LTPs for previous study periods;
- (i) Economic Study results;
- (j) Aggregated load forecasts representing the Transmission Provider's Transmission System;
- (k) Information regarding the status or material change of upgrades identified in the LTP;
- (l) Material changes or updates to the database noted in Section II.A.5.b below;
- (m) Summary list of data eligible for designation as CEII submitted during the planning process; and
- (n) Key information concerning the CCPG or WestConnect planning processes.

- b. Database Access and Changes: A Stakeholder may receive access from the Transmission Provider to the database and all changes to the database used to prepare the LTP according to the database access rules established by WECC and upon certification to the Transmission Provider that the Stakeholder is permitted to access such database. Unless expressly ordered to do so by a court of competent jurisdiction or regulatory agency, the Transmission Provider has no obligation to disclose database information to any Stakeholder that does not qualify for access. Material changes or updates to the database used for the LTP and reason for the changes will be posted on the Transmission Provider's OASIS.

6. Cost Allocation

- a. Obligations: Cost allocation principles expressed here do not supersede cost obligations as determined by other parts of the Tariff, which include, but are not limited to, transmission service requests, generation interconnection requests, Network Upgrades or Direct Assigned Facilities. Nothing contained in this Attachment K will relieve or modify the

obligations of the Transmission Provider or transmission customer pursuant to the Tariff.

b. Cost Allocation for New Projects

(i) The Transmission Provider will utilize a case-by-case approach to allocate costs for new projects. This approach will be based on the following principles:

(a) Open Season Solicitation of Interest: For any project identified in a Transmission Provider planning study (for reliability and/or economic projects) in which the Transmission Provider is the project sponsor, the Transmission Provider may elect to provide an “open season” solicitation of interest to secure additional project participants. Upon a determination by the Transmission Provider to hold an open season solicitation of interest for a project, the Transmission Provider will:

- (i) Announce and solicit interest in the project through informational meetings, its website, and/or other means of dissemination as appropriate.
- (ii) Hold meetings with interested parties and meetings with public utility staffs from potentially affected states.
- (iii) Post information via WECC’s planning project review reports.
- (iv) Develop the initial project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating

agreements.

- (b) Transmission Provider Coordination within a Solicitation of Interest Process: The Transmission Provider, whether as a project sponsor or a participant, will coordinate as necessary with any other participant or sponsor to integrate into the Transmission Provider's LTP any planned project on or interconnected with the Transmission Provider's Transmission System.
- (c) Transmission Provider Projects without a Solicitation of Interest: If the Transmission Provider elects to proceed without an open season solicitation of interest, the Transmission Provider will proceed with the project pursuant to its rights and obligations as a Transmission Provider.
- (d) Allocation of Costs:
 - (i) Proportional Allocation: For any project entered into where an open season solicitation process has been used, project costs and associated transmission rights would generally be allocated proportionally to project participants. In the event the open season process results in a single participant, the full cost and transmission rights will be allocated to that participant.
 - (ii) Economic Benefits or Congestion Relief: If an entity submits a request for a project wholly on the Transmission Provider's Transmission System for economic reasons or congestion relief, the project costs will be allocated to the entity submitting the request.

- c. Regional Cost Allocation: The cost allocation for regional projects will be allocated consistent with the cost allocation principles of WestConnect. See www.westconnect.com.

B. Local Reliability Planning Studies

Internally, and through WestConnect and CCPG, the Transmission Provider performs annual system assessments to verify compliance with reliability standards, to determine related system improvements, and to demonstrate adherence to the standards and criteria set forth by NERC and WECC. Compliance is certified annually.

During the local transmission planning process, the Transmission Provider considers a wide range of factors and interests as part of its reliability assessment, including, but not limited to: (i) the needs of transmission customers to integrate loads and resources; (ii) transmission infrastructure upgrades necessary to interconnect new generation resources; (iii) the minimum reliability standard requirements promulgated by NERC and WECC; (iv) bulk electric system considerations above and beyond the NERC and WECC minimum reliability standard requirements; (v) transmission system operational flexibility, which supports economic dispatch of interconnected generation resources; and (vi) various regional and sub-regional transmission projects planned by other utilities and stakeholders.

This comprehensive internal, regional, and sub-regional planning process ensures that the Transmission Provider's local reliability needs are carefully coordinated with all Stakeholders.

C. Economic Planning Studies

1. Review: As part of the study cycle described in Section II.A above, the Transmission Provider will review Economic Study Requests. An Economic Study Request involves an assessment to determine whether transmission upgrades can reduce the overall cost of service to Native Load Customers and the load of other customers taking service under the Tariff. The Transmission Provider currently does not separately conduct economic planning studies and does not have the individual capability to conduct economic analyses, and thus, in the event of a request for an Economic Study, may contract with a qualified third party of its choosing to perform such work. The Transmission Provider will coordinate with the TCPC during the annual study cycle to identify and prioritize all Economic Study Requests and perform an assessment to determine if the Economic

Study Request would reduce the overall cost of service to Native Load Customers and the load of other customers taking service under the Tariff.

2. Request Form: An Eligible Customer may make an Economic Study Request by completing the Economic Study Request form located on the Transmission Provider's OASIS within the "Transmission Planning" folder. Study requests are due to the Transmission Provider per the official timeline as posted on the Transmission Provider's OASIS.
3. Number of Studies: The Transmission Provider may study up to one (1) high priority Local Transmission Provider Economic Planning Request annually.
4. Classification of Requests: The Transmission Provider, with input from the TCPC, will classify a request for Economic Planning Studies as a Local Transmission Provider Economic Planning Request, Sub-Regional Economic Planning Request, or Regional Economic Planning Request.
 - a. A study request that is confined to the Transmission Provider's Transmission System and does not materially affect the interconnected transmission system, and remedies are confined to the Transmission Provider's Transmission System, will be considered a Local Transmission Provider Economic Planning Request and studied by the Transmission Provider.
 - b. All other Economic Study Requests will be deemed sub-regional or regional requests and be forwarded to WECC for inclusion in the WECC Economic Planning Study Master List and for consideration as a priority request at WECC's stakeholder meeting. The criteria utilized by WECC to prioritize study requests are contained in its Transmission Planning Protocol.
5. Priority of Requests: The Transmission Provider may identify up to one (1) high priority Local Transmission Provider Economic Planning Request for study for the purpose of alleviating congestion through the integration of new supply and demand resources into the local transmission grid or expanding the local transmission system.
 - a. A sponsor of an Economic Study not prioritized as a high

priority study may re-submit the Economic Study Request for study consideration in the next economic planning cycle or may fund the study as an Additional Economic Study.

6. Economic Study Process: The Transmission Provider will study valid Economic Study Requests in a manner that is open, transparent, and coordinated with Stakeholders utilizing the TCPC or other method established by the Transmission Provider.
7. Economic Study Contents: Economic Studies will include, but not be limited to: the location and magnitude of congestion, possible congestion remedies, and the cost of relieving congestion.
8. Customer Obligation to Share Data: Eligible Customers requesting an Economic Study will, upon request of the Transmission Provider, supply all relevant information necessary to perform the Economic Study. If the Eligible Customer fails to provide the information requested, the Transmission Provider will have no obligation to complete the study.
9. Additional Economic Studies: Economic Study Requests that are not prioritized as the highest priority local study will be referred to as Additional Economic Studies. The Eligible Customer or sponsor will pay for actual costs to perform Additional Economic Studies.
10. Recovery of Planning Costs: The costs to complete a study of a high priority Local Transmission Provider Economic Planning Request will be recovered through the Transmission Provider's transmission rates. The cost for Additional Economic Studies will be borne by the sponsor of the Economic Study Request.
11. Clustering of Economic Study Requests: The Transmission Provider may determine that any number of Economic Study Requests should be studied together, or an entity that requests the study may request that the Transmission Provider study its request together with other requests. The Transmission Provider will consider the following criteria in determining whether or not to cluster multiple Local Transmission Provider Economic Planning Requests that have been identified as high priority by the Transmission Provider through coordination with the TCPC:
 - a. All submitted Local Transmission Provider Economic Planning Requests designated as high priority will be evaluated by the Transmission Provider to determine if the

requests can be feasibly and meaningfully studied as a group taking into account the scope of the requests.

- b. Upon the decision of the Transmission Provider to include the evaluated high priority Local Transmission Provider Economic Planning Requests into a clustered study, the Transmission Provider will provide the entity that requested the study notice of proposed inclusion of its request within a clustered study. That entity will be given the opportunity to opt out of the clustered study by providing written notice to the Transmission Provider within ten business days of notice of inclusion in the proposed clustered study.
- c. Should an entity that requests a study wish to cluster its request with other Local Transmission Provider Economic Planning Requests, it must provide to the Transmission Provider written consent of all entities whose requests would be included in the proposed clustered study. The Transmission Provider reserves the right to reject a proposed clustered study on any reasonable grounds. The Transmission Provider must determine whether to reject the proposed clustered study and provide written notice of rejection to all participating entities within twenty (20) business days.

D. Dispute Resolution

- 1. Process: If a dispute arises concerning either a procedural or substantive matter within the Commission's jurisdiction, the following dispute resolution process will apply:
 - a. WECC: If the dispute is within the scope of WECC dispute resolution procedures, then those procedures will apply.
 - b. Non-WECC Disputes: For disputes not within the scope of the WECC dispute resolution procedures, the dispute resolution procedures set forth in Section 12 of the Tariff will apply, with the added provision that upon agreement of the parties, any dispute that is not resolved by direct negotiation between or among the affected parties within a reasonable period of time, may be referred to mediation (before or during arbitration), and all applicable timelines will be suspended until such time as the mediation process terminates (unless otherwise agreed by the parties). Notwithstanding that the

dispute resolution procedures under Section 12 of the Tariff apply only to the Transmission Provider and transmission customers, Section 12 of the Tariff will be deemed to be applicable to Stakeholders for purposes of this Attachment K.

- c. Notwithstanding anything to the contrary in this Section II.D, any affected party may refer the matter to the Commission for resolution at any time.

E. Planning for Public Policy Requirements in the Local Transmission Planning Process

1. Procedures for Identifying Transmission Needs Driven by Public Policy Requirements

Stakeholders may participate in identifying local transmission needs driven by Public Policy Requirements by contacting the Transmission Provider via the contact information listed on the Transmission Provider's OASIS. In addition, Stakeholders may offer input or make proposals at Transmission Provider's open meetings held pursuant to this Attachment K.

In selecting those local transmission needs driven by Public Policy Requirements that will be evaluated for solutions in the current planning cycle, Transmission Provider is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

- (i) Whether the Public Policy Requirement is driving a local transmission need that can be reasonably identified in the current planning cycle;
- (ii) the feasibility of addressing the local transmission need driven by the Public Policy Requirement in the current planning cycle;
- (iii) the factual basis supporting the local transmission need driven by the Public Policy Requirement; and
- (iv) whether a Public Policy Requirement has been identified for which a local transmission need has not yet materialized, or for which there may exist a local transmission need but the development of a solution to

that need is premature. One example is a renewables portfolio increase that is enacted for implementation in a future year, and for which the process by which the renewable resource is to be identified, selected, and sited under the governing state-regulated resource adequacy process has not yet begun (making it premature to identify the location and scope of the local transmission need and/or the appropriate solution for the need).

No single factor will be determinative in selecting among the potential transmission needs driven by Public Policy Requirements.

The Transmission Provider is not required to identify any particular set of local transmission needs driven by Public Policy Requirements. After considering the input of Stakeholders, the Transmission Provider is to determine whether to move forward with the identification of a local solution to a particular Stakeholder-identified local need driven by Public Policy Requirements.

If a Stakeholder suggests a local transmission need driven by a Public Policy Requirement, and the Transmission Provider decides not to evaluate local solutions to address the need, the Transmission Provider will post on its OASIS an explanation of its decision.

2. Procedures for Evaluating Solutions to Identified Transmission Needs

For identified local transmission needs driven by Public Policy Requirements and selected by the Transmission Provider for further evaluation, Stakeholders may provide comments on proposed solutions or may submit other proposed solutions to such local transmission needs.

After seeking the Stakeholder input, the Transmission Provider will determine whether to select a local solution for inclusion in its LTP and post the LTP on its OASIS. The procedures for evaluating potential solutions to the identified local transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the local transmission planning process.

3. Posting of Public Policy Needs

The Transmission Provider will maintain on its OASIS (i) a list of all identified local transmission needs driven by Public Policy Requirements and included in the studies for the current local planning cycle; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

III. Regional Transmission Planning Process

This Attachment K to the Tariff implements the requirements for regional planning in accordance with Order No. 1000 and Order No. 890. The Transmission Provider engages in regional planning and coordination within the WestConnect regional process (Regional Planning Process), which also includes the Transmission Provider's participation in interregional planning through its participation in WestConnect.

The purpose of the WestConnect Regional Planning Process is to produce a regional transmission plan (the Regional Plan) and provide a process for evaluating projects submitted for cost allocation in accordance with the provisions of this Attachment K and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business Practice Manual, as may be amended from time to time, available on the WestConnect website (Business Practice Manual).

A. Overview

The WestConnect Planning Region is defined by the transmission owners and transmission provider members (referred to generally in Section III of this Attachment K as Transmission Owners) participating in the Regional Planning Process and for whom WestConnect is conducting regional planning. The service areas of the Transmission Owners consist of all or portions of nine states: Arizona, California, Colorado, Nebraska, New Mexico, Nevada, South Dakota, Texas and Wyoming. Non-public utilities are invited to participate in the Regional Planning Process.

The WestConnect Order No. 1000 regional transmission planning management committee (the Planning Management Committee or PMC) will be responsible for administering the Regional Planning Process. WestConnect began its biennial process in 2016. WestConnect conducted an abbreviated planning process in 2015.

In conjunction with creating the new PMC, the WestConnect members, in consultation with interested Stakeholders, have established a separate project agreement (the Planning Participation Agreement) to permit interested Stakeholders to participate in the Regional Planning Process. Although the Regional Planning Process is open to the public, Stakeholders interested in having a voting right in decisions related to the Regional Planning Process will be required to execute the Planning Participation Agreement and

any necessary confidentiality agreements.¹ The PMC will implement the Stakeholder-developed Regional Planning Process, which will result in a Regional Plan for the ten-year transmission planning horizon.²

Note 1: If the Planning Participation Agreement is terminated, the requirement of becoming a signatory to the Planning Participation Agreement also terminates. In that situation, it would no longer be necessary for an entity to execute the Planning Participation Agreement before engaging in the WestConnect regional planning process, because the PMC will cease performing its functions under this Attachment K upon termination of the Planning Participation Agreement.

Note 2: Because the rights and responsibilities of the PMC terminate when the Planning Participation Agreement terminates, the Transmission Provider will have to satisfy its regulatory compliance through other means. At that time, the Transmission Provider will make an appropriate filing with the Commission to demonstrate its continued compliance with Order No. 1000.

The Transmission Provider is a signatory to the WestConnect STP Project Agreement. (See www.westconnect.com). The committees formed under the WestConnect STP Project Agreement and the WestConnect Steering Committee have no authority over the PMC and the PMC's decision making in implementing the Regional Planning Process.

1. WestConnect Planning Participation Agreement

Each WestConnect member will be a signatory to the Planning Participation Agreement, which formalizes the members' relationships and establishes obligations, including Transmission Owner coordination of regional transmission planning among the WestConnect participants and the local transmission planning processes, and producing a Regional Plan.

2. Members

WestConnect has two types of members: (i) Transmission Owners that enroll in the WestConnect Planning Region in order to comply with Order No. 1000 planning and cost allocation requirements, as well as Transmission Owners that elect to participate in the WestConnect Regional Planning Process without enrolling for Order No. 1000 cost allocation purposes, and (ii) Stakeholders who wish to have voting input into the methodologies, studies, and decisions made in the execution of those requirements.

a. Joining the WestConnect Planning Region

A Transmission Owner that wishes to enroll or participate in the WestConnect Planning

Region may do so by executing the Planning Participation Agreement and paying its share of costs as provided for in the Planning Participation Agreement.

A Stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the Planning Participation Agreement, paying annual dues, and complying with applicable provisions as outlined in such agreement. For further information regarding membership dues, please see WestConnect's Planning Participation Agreement, located at www.westconnect.com and on file with FERC.

b. Exiting the WestConnect Planning Region

Should a Transmission Owner member wish to exit the WestConnect Planning Region, it must submit notice in accordance with the Planning Participation Agreement and pay its share of any WestConnect expenditures approved prior to providing its formal notice of withdrawal from the WestConnect Planning Region.

Should a Stakeholder wish to exit the WestConnect Planning Region, it may do so by providing notice in accordance with the Planning Participation Agreement. Withdrawing Stakeholders will forfeit any monies or dues paid to the PMC and agree to remit to the PMC any outstanding monies owed to WestConnect prior to their withdrawal being considered official.

c. List of Enrolled Entities

Transmission Owners enrolled in the WestConnect Planning Region for purposes of Order No. 1000:

- Arizona Public Service Company
- Basin Electric Power Cooperative
- Black Hills Colorado Electric Utility Company, LP
- Black Hills Power, Inc.
- Cheyenne Light, Fuel, & Power Company
- El Paso Electric Company
- NV Energy, Inc. Operating Companies
- Public Service Company of Colorado
- Public Service Company of New Mexico
- Tri-State Generation and Transmission Association, Inc.
- Tucson Electric Power Company
- UNS Electric, Inc.

3. WestConnect Objectives and Procedures for Regional Transmission

Planning

The Regional Planning Process will produce a Regional Plan that complies with existing Order No. 890 principles:

- a. Coordination
- b. Openness
- c. Transparency
- d. Information exchange
- e. Comparability
- f. Dispute resolution

The Transmission Provider, along with the other Planning Participation Agreement participants, shall work through the Regional Planning Process to integrate its transmission plan with the other WestConnect participant transmission plans into a single ten year Regional Plan for the WestConnect footprint by:

- a. Actively coordinating development of the Regional Plan, including incorporating information, as appropriate, from all Stakeholders;
- b. Coordinating, developing and updating common base cases to be used for all study efforts within the Regional Planning Process and ensuring that each plan adheres to the methodology and format developed for the Regional Plan;
- c. Providing funding for the Regional Planning Process and all planning management functions pursuant to the Planning Participation Agreement;
- d. Maintaining a regional planning section at www.westconnect.com, where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted;
- e. Posting detailed notices of all regional and local planning meeting agendas on the WestConnect website; and
- f. Establishing a cost allocation process for regional transmission projects selected in the Regional Planning Process for cost

allocation.

B. Roles in the Regional Planning Process

1. PMC Role

The PMC is responsible for bringing transmission planning information together and sharing updates on active projects. The PMC provides an open forum where any Stakeholder interested in the planning of the regional transmission system in the WestConnect footprint can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system. On a biennial basis and in coordination with its members, Transmission Owners, and other interested Stakeholders, the PMC will develop the Regional Plan. The PMC, after considering the data and comments supplied by customers and other Stakeholders, is to develop a regional transmission plan that treats similarly-situated customers (*e.g.*, network, retail network, and native load) comparably in transmission system planning.

The PMC is charged with development and approval of the Regional Plan. The PMC will be comprised of representatives from each Stakeholder sector. The PMC will be empowered to create and dissolve subcommittees as necessary to facilitate fulfillment of its responsibilities in developing the Regional Plan.

2. Stakeholder Participation and Assistance

Stakeholders may participate in the Regional Planning Process by any one or more of the following ways: (a) joining one of five WestConnect regional transmission planning membership sectors described below; (b) by attending publicly-posted WestConnect regional transmission planning Stakeholder meetings; and/or (c) by submitting project proposals for consideration and evaluation in the Regional Planning Process.

Attendance at meetings is open to all interested Stakeholders. These meetings will include discussion of models, study criteria and assumptions, and progress updates. Formal participation, including voting as allowed by the process, can be achieved through payment of applicable fees and annual dues in accordance with the Planning Participation Agreement. Transmission Owners with a Load Serving Obligation will not be responsible for annual dues because Transmission Owners with a Load Serving Obligation will be the default source of monies to support WestConnect activities beyond dues paid by other organizations.

WestConnect Planning Region members will assist Stakeholders interested in becoming involved in the Regional Planning Process by directing them to

appropriate contact persons and websites. See www.westconnect.com. All Stakeholders are encouraged to bring their plans for future generators, loads, or transmission services to the WestConnect planning meetings. Each transmission planning cycle will contain a period during which project ideas are accepted for potential inclusion in that cycle's Regional Plan.

3. Forum for Evaluation

The WestConnect Regional Planning Process also provides a forum for transmission project sponsors to introduce their specific projects to interested Stakeholders and potential partners and allows for joint study of these projects by interested parties, coordination with other projects, and project participation, including ownership from other interested parties. This may include evaluation of transmission alternatives or non-transmission alternatives in coordination with the Regional Planning Process.

4. Stakeholder Meetings

WestConnect will hold open Stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the PMC with 30 days advance notice to update Stakeholders about its progress in developing the Regional Plan and to solicit input regarding material matters of process related to the Regional Plan. Notice for such meetings will be posted on the WestConnect website and via email to the Regional Planning Process email distribution list.

The meeting agendas for all WestConnect planning meetings will be sufficiently detailed, posted on the WestConnect website, and circulated in advance of the meetings in order to allow Stakeholders the ability to choose their meeting attendance most efficiently.

5. WestConnect Planning Process Governance

a. Membership Sectors

The Regional Planning Process will be governed by the PMC, which will be tasked with executing the Regional Planning Process and will have authority for approving the Regional Plan. For those entities desiring to be a part of the management of the Regional Planning Process, one of five PMC membership sectors is available:

- Transmission Owners with Load Serving Obligation
- Transmission Customers
- Independent Transmission Developers and Owners

- State Regulatory Commissions
- Key Interest Groups

Only Transmission Owners that have load serving obligations individually or through their members may join the Transmission Owners with Load Serving Obligations membership sector. The Transmission Owners with Load Serving Obligations sector will be comprised of (a) those Transmission Owners that enroll in the WestConnect Planning Region for purposes of Order No. 1000; and (b) those Transmission Owners that elect to participate in the WestConnect Regional Planning Process as Coordinating Transmission Owners (CTO).

Except for public utilities that are required to comply with Order No. 1000, any entity may join any membership sector for which it qualifies, but may only participate in one membership sector at a time. If a non-public utility is qualified to join the Transmission Owners with Load Serving Obligations sector as well as one or more other sectors, and the non-public utility elects to join a sector other than the Transmission Owners with Load Serving Obligations sector, the PMC will not perform the function of regional transmission planning for that entity. Additionally, if a member of the Transmission Owner with Load Serving Obligations sector owns transmission facilities located in another planning region, the PMC will not perform the function of regional planning for such facilities located in another planning region.

b. Planning Management Committee

The PMC will be empowered to create and dissolve subcommittees as necessary to ensure timely fulfillment of its responsibilities; to assess fees for membership status on the PMC; and to assess fees for projects submitted for evaluation as part of the Regional Planning Process. The PMC is to manage the Regional Planning Process, including approval of the Regional Plan that includes application of regional cost allocation methodologies.

The PMC is to coordinate and have the decision making authority over whether to accept recommendations from the Planning Subcommittee (PS) and Cost Allocation Subcommittee (CAS). The PMC, among other things, is to develop and approve the Regional Plan based on recommendations from the PS and CAS; and develop and approve a scope of work, work plan, and periodic reporting for WestConnect planning functions, including holding a minimum of two Stakeholder informational meetings per year. The PMC is to appoint the chair of the PS and CAS. The chair for each subcommittee must be a representative of the Transmission Owners with Load Serving Obligations member sector.

The PS responsibilities include, but are not limited to, reviewing and making

recommendations to the PMC for development of study plans, establishing base cases, evaluating potential solutions to regional transmission needs, producing and recommending the Regional Plan for PMC approval, and coordinating with the CAS. The PS is to provide public notice of committee meetings and provide opportunities for Stakeholders to provide comments on the process and proposed plan.

The CAS responsibilities include, but are not limited to, performing and/or overseeing the performance of the cost allocation methodology. The CAS also is to review and make recommendations to the PMC for modifying definitions of benefits and cost allocation methodology as necessary to meet WestConnect planning principles on identification of beneficiaries and cost allocation. The CAS is to review and recommend projects to the PMC for purposes of cost allocation identified in the Regional Planning Process. The CAS is to provide public notice of committee meetings and provide opportunities for Stakeholders to provide comments on the process and proposed cost allocation.

All actions of the PMC (including approval of the Regional Plan) will be made possible by satisfying either of the following requirements:

- 75% of the members voting of at least three (3) sectors approving a motion, where one of the three sectors approving is the Transmission Owners with Load Serving Obligation sector; or
- 75% of the members voting of the four member sectors other than the Transmission Owners with Load Serving Obligation sector approving a motion and two-thirds (2/3) of the members voting of the Transmission Owners with Load Serving Obligation sector approving a motion.

Each entity within a membership sector is entitled to one vote on items presented for decision.

Any closed executive sessions of the PMC will be to address matters outside of the development of the Regional Planning Process, including matters involving contracts, personnel, financial matters, or legal matters such as, but not limited to, litigation (whether active or threatened).

C. Submission of Data by Customers, Transmission Developers, and Transmission Owners

When stakeholder feedback on modeling assumptions is requested, the data submittal period for such feedback will be established by the PMC. In all cases, requests for submittal of data from WestConnect members and Stakeholders will be followed by a

data submittal window lasting no less than thirty (30) days from the date of such requests. In addition, consistent with the Regional Planning Process, any interested Stakeholder may submit project ideas for consideration in the Regional Plan without a need for that Stakeholder to qualify for a project submittal for purposes of cost allocation. Specific project submittals are treated differently than generalized project ideas. For any project submittal seeking study by the PMC in the Regional Planning Process to address a regional need identified by the PMC (without regard to whether the project seeks cost allocation), a project submittal deposit will be collected and made subject to later true-up based upon the actual cost of the study(ies) performed. Project submittals are to be accepted through the fifth (5th) quarter of the planning cycle (or first (1st) quarter of the second (2nd) year), and are addressed in Section III.C.5 of this Attachment K. A timeline detailing the timing and notice for submission of information and input can be found in Exhibit 1 of this Attachment K.

1. Transmission Customers

Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect member's local transmission planning process. However, from time to time, there may be a need for transmission customers participating in the Regional Planning Process to submit data directly to WestConnect. This data may include, but is not limited to load forecasts, generation resource plans, demand side management resources, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

No less than thirty (30) days' notice will be given for customers to submit any required data and data submissions will generally be able to be made via email or by posting information to a designated website.

2. Independent Transmission Developers and Owners

Transmission Developers are entities with project ideas they wish to submit into the Regional Planning Process. These may include project submittals that the developer wishes to be considered to address an identified regional need (whether or not the project is eligible for regional cost allocation).

Each regional transmission planning cycle will include a submission period for project ideas as described in Section III.C.5 below. Notice of the submission period will be posted on the WestConnect website (*see* www.westconnect.com) and will also be made via email to WestConnect Stakeholders. The submission period will last for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the Regional Planning Process to address an identified regional need may do so.

Projects proposed by Independent Transmission Developers and Owners are subject to the same Reliability Standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer shall register with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organizations, and all local, state, regional, and federal requirements.

3. Merchant Transmission Developers

Merchant transmission developers are entities pursuing completion of projects that do not wish to have their projects considered for regional cost allocation. Nonetheless, coordination between merchant projects and the Regional Planning Process is necessary to effect a coordinated Regional Plan that considers all system needs.

Each regional transmission planning cycle will include a submission period for project submittals to address an identified regional need, as described in Section III.C.5 below. Notice of the submission period will be posted on the WestConnect website and will also be made via email to WestConnect Stakeholders. In addition, it is necessary for merchant transmission developers to provide adequate information and data to allow the PMC to assess the potential reliability and operational impacts of the merchant transmission developer's proposed transmission facilities on other systems in the region. The submission period will last for no less than thirty (30) days and during this time sponsors of merchant transmission projects that are believed to impact the WestConnect transmission system will be asked to provide certain project information.

Projects proposed by merchant transmission developers are subject to the same Reliability Standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer is responsible for properly registering with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organization and all local, state, regional, and federal requirements.

4. Transmission Owners with Load Serving Obligation

Transmission Owners that are members of the WestConnect Planning Region are responsible for providing all necessary system information to the Regional Planning Process.

At the beginning of each regional transmission planning cycle, Transmission Owners that are participating in the Regional Planning Process shall be responsible for verifying the accuracy of any data (including, but not limited to system topology and project proposal information) they have previously submitted. Transmission Owners shall also be required to submit all relevant data for any new projects being proposed for inclusion in the Regional Plan to address an identified regional need in accordance with Section III.C.5 below. Transmission Owners shall also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the Regional Plan models.

5. Transmission Project Submittals

All submittals of transmission projects to address an identified regional need, without regard to whether or not the project seeks regional cost allocation, are to contain the information set forth below, together with the identified deposit for study costs, and be submitted timely within the posted submittal period in order for the project submittal to be eligible for evaluation in the Regional Planning Process. A single project submittal may not seek multiple study requests. To the extent a project proponent seeks to have its project studied under a variety of alternative project assumptions, the individual alternatives must be submitted as individual project submittals. To be eligible to propose a project for selection in the Regional Plan, a project proponent must also be an active member in good standing within one of the five PMC membership sectors described above in Section III.B.5.a:

- Submitting entity contact information
- Explanation of how the project is a more efficient or cost-effective solution to regional transmission needs*
- A detailed project description including, but not limited to, the following:
 - Scope
 - Points of interconnection to existing (or planned) system
 - Operating Voltage and Alternating Current or Direct Current status
 - Circuit Configuration (Single, Double, Double-Circuit capable, etc.)
 - Impedance Information
 - Approximate circuit mileage
- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost*
- Any independent study work of or relevant to the project

- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- The project in-service date
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- A \$25,000 deposit to support the cost of relevant study work, subject to true-up (up or down) based upon the actual cost of the study(ies).^{*} The true-up will include interest on the difference between the deposit and the actual cost, with such interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. A description of the costs to which the deposit was applied, how the costs were calculated, and an accounting of the costs will be provided to each project sponsor within 30 calendar days of the completion of the study. Dispute resolution is addressed pursuant to Section V.
- Comparison Risk Score from WECC Environmental Data Task Force, if available
- Impacts to other regions. The applicant must provide transmission system impacts studies showing system reliability impacts to neighboring transmission systems or another transmission planning region. The information should identify all costs associated with any required upgrades to mitigate adverse impacts on other transmission systems.^{*}

^{*}Merchant transmission developers are exempt from these requirements.

If impact studies and costs are not available at the time of submittal, the project proponent may request that impact studies be performed, at the project proponent's expense, as part of the analysis to determine whether the project is the more efficient or cost-effective solution. Requests for transmission system impact studies are approved through the PMC depending on whether the project proponent provides funding for the analysis. The PMC will provide, subject to appropriate confidentiality and CEII restrictions, the information in the possession of the PMC that an applicant needs to perform the transmission system impact study and to identify the costs associated with any upgrades required to mitigate adverse impacts.

There is to be an open submission period for project proposals to address identified regional needs. Notice of the submission period will be posted on the WestConnect website and will also be made via email to WestConnect Stakeholders. The submission period will last for no less than thirty (30) days and will end by the fifth (5th) quarter of the WestConnect planning cycle (or first

(1st) quarter of the second (2nd) year of the planning cycle). Proposals submitted outside that window will not be considered. The PMC will have the authority to determine the completeness of a project submittal. Project submittals deemed incomplete will be granted a reasonable opportunity to cure any deficiencies identified in writing by the PMC.

Any Stakeholder wishing to present a project submittal to address an identified regional need shall be required to submit the data listed above for the project to be considered in the Regional Planning Process. Should the submitting Stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. The PMC retains the sole authority for determining completeness of the information submittal. After the completion of the project submittal period, the PMC will post a document on the WestConnect website detailing why any projects were rejected as incomplete. Upon posting of the document, any project submittal rejected as incomplete will be given a reasonable opportunity to cure the reason(s) it was rejected to the satisfaction of the PMC in its sole discretion.

6. Submission of Non-Transmission Alternative Projects

Any Stakeholder may submit projects proposing non-transmission alternatives to address an identified regional need for evaluation under the Regional Planning Process. The submission period will last for no less than thirty (30) days. The submission window will end by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). The following criteria must be satisfied in order for a non-transmission alternative project submittal to be evaluated under the Regional Planning Process:

- Basic description of the project (fuel, size, location, point of contact)
- Operational benefits
- Load offset, if applicable
- Description of the issue sought to be resolved by the generating facility or non-transmission alternative, including reference to any results of prior technical studies
- Network model of the project flow study
- Short-circuit data
- Protection data
- Other technical data that might be needed for resources
- Project construction and operating costs
- Additional miscellaneous data (*e.g.*, change files if available)

As with entities submitting a transmission project under Section III.C.5, those who submit under Section III.C.6 a non-transmission alternative under the Regional Planning Process must adhere to and provide the same or equivalent information (and deposit for study costs) as transmission alternatives, as described in Section III.C.5, above. Should the submitting Stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. Although non-transmission alternative projects will be considered in the Regional Planning Process, they are not eligible for regional cost allocation.

7. The WestConnect Regional Planning Cycle

The WestConnect regional transmission planning cycle is biennial. The WestConnect PMC will develop and publish a Regional Plan every other year.

D. Transmission Developer Qualification Criteria

1. In General

A transmission developer that seeks to be eligible to use the regional cost allocation methodology for a transmission project selected in the Regional Plan for purposes of cost allocation must identify its technical and financial capabilities to develop, construct, own, and operate a proposed transmission project. To be clear, satisfaction of the criteria set forth below does not confer upon the transmission developer any right to:

- (i) construct, own, and/or operate a transmission project,
- (ii) collect the costs associated with the construction, ownership and/or operation of a transmission project,
- (iii) provide transmission services on the transmission facilities constructed, owned and/or operated.

The applicable governing governmental authorities are the only entities empowered to confer any such rights to a transmission developer. The PMC is not a governmental authority.

2. Information Submittal

A transmission developer seeking eligibility for potential designation as the entity eligible to use the regional cost allocation for a transmission project selected in the Regional Plan for purposes of cost allocation must submit to the PMC the following information during the first quarter of the WestConnect planning cycle:

a. Overview

A brief history and overview of the applicant demonstrating that the applicant has the capabilities to finance, own, construct, operate and maintain a regional transmission project consistent with Good Utility Practice within the state(s) within the WestConnect Planning Region. The applicant should identify all transmission projects it has constructed, owned, operated and/or maintained, and the states in which such projects are located.

b. Business Practices

A description of the applicant's experience in processes, procedures, and any historical performance related to engineering, constructing, operating and maintaining electric transmission facilities, and managing teams performing such activities. A discussion of the types of resources, including relevant capability and experience (in-house labor, contractors, other transmission providers, etc.) contemplated for the licensing, design, engineering, material and equipment procurement, siting and routing, Right-of-Way (ROW) and land acquisition, construction and project management related to the construction of transmission projects. The applicant should provide information related to any current or previous experience financing, owning, constructing, operating and maintaining and scheduling access to regional transmission facilities.

c. Compliance History

The applicant should provide an explanation of any violation(s) of NERC and/or Regional Entity Reliability Standards and/or other regulatory requirements pertaining to the development, construction, ownership, operation, and/or maintenance of electric transmission facilities by the applicant or any parent, owner, affiliate, or member of the applicant that is an Alternate Qualifying Entity under Section III.D.2.1. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section III.D.2, the applicant has not developed, constructed, owned, operated or maintained electric transmission facilities, the applicant shall instead submit such information for any electric distribution or generating facilities it develops, constructs owns, operates and/or maintains, as applicable, to demonstrate its compliance history.

d. Participation in the Regional Planning Process

A discussion of the applicant's participation within the Regional Planning Process or any other planning forums for the identification, analysis, and communication of transmission projects.

e. Project Execution

A discussion of the capability and experience that would enable the applicant to comply with all on-going scheduling, operating, and maintenance activities associated with project development and execution.

f. Right-of-Way Acquisition Ability

The applicant's preexisting procedures and historical practices for siting, permitting, landowner relations, and routing transmission projects including, acquiring ROW and land, and managing ROW and land acquisition for transmission facilities. Any process or procedures that address siting or routing transmission facilities through environmentally sensitive areas and mitigation thereof. If the entity does not have such preexisting procedures, it shall provide a detailed description of its plan for acquiring ROW and land and managing ROW and land acquisition.

g. Financial Health

The applicant must demonstrate creditworthiness and adequate capital resources to finance transmission projects. The applicant shall either have an investment grade credit rating from both S&P and Moody's or provide corporate financial statements for the most recent five years for which they are available. Entities that do not have a credit rating, or entities less than five years old, shall provide corporate financial statements for each year that is available. Alternatively, the applicant may provide a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the PMC.

The following ratios must be provided with any explanations regarding the ratios:

- Funds from operations-to-interest coverage.
- Funds from operation-to-total debt.
- Total debt-to-total capital.
- The applicant must indicate the levels of the above ratios the company will maintain during and following construction of the transmission element.

The PMC may request additional information or clarification as necessary.

h. Safety Program

The applicant must demonstrate that it has an adequate internal safety program, contractor safety program, safety performance record and program execution.

i. Transmission Operations

The applicant must: demonstrate that it has the ability to undertake control center operations capabilities, including reservations, scheduling, and outage coordination; demonstrate that it has the ability to obtain required path ratings; provide evidence of its NERC compliance process and compliance history, as applicable; demonstrate any existing required NERC certifications or the ability to obtain any applicable NERC certifications; establish required Total Transfer Capability; provide evidence of storm/outage response and restoration plans; provide evidence of its record of past reliability performance, as applicable; and provide a statement of which entity will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training. A potential transmission developer will not be required to have an operations entity under contract at the time it seeks to be eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

j. Transmission Maintenance

The applicant must demonstrate that it has, or has plans to develop, an adequate transmission maintenance program, including staffing and crew training, transmission facility and equipment maintenance, record of past maintenance performance, NERC compliance process and any past history of NERC compliance or plans to develop a NERC compliance program, and provide a statement of which entity will be performing maintenance on completed transmission facilities. A potential transmission developer will not be required to have a maintenance entity under contract at the time it seeks to be eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

k. Regulatory Compliance

The applicant must demonstrate the ability, or plans to develop the ability, to comply with Good Utility Practice, WECC criteria and regional Reliability Standards, NERC Reliability Standards, construction standards, industry standards, and environmental standards.

l. Affiliation Agreements

A transmission developer can demonstrate that it meets these criteria either on its own or by relying on an entity or entities with whom it has a corporate affiliation or other third-parties with relevant experience (Alternate Qualifying Entity(ies)).

In lieu of a contractual or affiliate relationship with one or more Alternate Qualifying Entity(ies) and to the extent a transmission developer intends to rely upon third-parties for meeting those criteria, the transmission developer must provide in attestation form, an identification of its preferred third-party contractor(s) and indicate when it plans to enter into a definitive agreement with its third-party contractor(s). If the transmission developer seeks to satisfy the criteria in whole or in part by relying on one or more Alternate Qualifying Entity(ies), the transmission developer must submit: (1) materials demonstrating to the PMC's satisfaction that the Alternate Qualifying Entity(ies) meet(s) the criteria for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy; and (2) a commitment to provide in any project cost allocation application an executed agreement that contractually obligates the Alternate Qualifying Entity(ies) to perform the function(s) for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy.

m. WestConnect Membership

A transmission developer must be a member of either the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector, or must agree to join the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector and agreed to sign the Planning Participation Agreement if the transmission developer seeks to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

n. Other

Any other relevant project development experience that the transmission developer believes may demonstrate its expertise in the above areas.

3. Identification of Transmission Developers Satisfying the Criteria

a. Notification to Transmission Developer

No later than September 30 each year, the PMC is to notify each transmission developer whether it has satisfied the stated criteria. A transmission developer failing to satisfy one or more of the qualification criteria is to be informed of the failure(s) and accorded an additional opportunity to cure any deficiency(ies) within thirty (30) calendar days of notice from the PMC by providing any additional information.

The PMC is to inform the transmission developer whether the additional information satisfies the qualification criteria within forty-five (45) calendar days of receipt of the additional information.

The PMC is to identify the transmission developers that have satisfied the qualification criteria (the “Eligible Transmission Developers”) by posting on the WestConnect website, on or before December 31 of each year.

b. Annual Recertification Process and Reporting Requirements

By June 30 of each year, each Eligible Transmission Developer must submit to WestConnect a notarized letter signed by an authorized officer of the Eligible Transmission Developer certifying that the Eligible Transmission Developer continues to meet the current qualification criteria.

The Eligible Transmission Developer shall submit to the PMC an annual certification fee equal to the amount of the WestConnect annual membership fee. If the Eligible Transmission Developer is a member of WestConnect and is current in payment of its annual membership fee, then no certification fee will be required.

If at any time there is a change to the information provided in its application, an Eligible Transmission Developer shall be required to inform the PMC chair within thirty (30) calendar days of such change so that the PMC may determine whether the Eligible Transmission Developer continues to satisfy the qualification criteria. Upon notification of any such change, the PMC shall have the option to: (1) determine that the change does not affect the status of the transmission developer as an Eligible Transmission Developer; (2) suspend the transmission developer’s eligibility status until any deficiency in the transmission developer’s qualifications is cured; (3) allow the transmission developer to maintain its eligibility status for a limited time period, as specified by the PMC, while the transmission developer cures the deficiency; or (4) terminate the transmission developer’s eligibility status.

c. Termination of Eligibility Status

The PMC may terminate an Eligible Transmission Developer’s status if the Eligible Transmission Developer: (1) fails to submit its annual certification letter; (2) fails to pay the applicable WestConnect membership fees; (3) experiences a change in its qualifications and the PMC determines that it may no longer qualify as an Eligible Transmission Developer; (4) informs the PMC that it no longer desires to be an Eligible Transmission Developer; (5) fails to notify the PMC of a change to the information provided in its application within thirty (30) days of such change; or (6) fails to execute the Planning Participation Agreement as

agreed to in the qualification criteria within a reasonable time defined by the PMC, after seeking to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

E. Overview of Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs and more efficient or cost-effective solutions to satisfy those needs. Consistent with Order Nos. 890 and 1000, qualified projects timely submitted through the Regional Planning Process will be evaluated and selected from competing solutions and resources such that all types of resources, as described below, are considered on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder proposing them. Where a regional transmission need is identified, the PMC is to perform studies that seek to meet that need through regional projects, even in the absence of project proposals advanced by Stakeholders or projects identified through the WECC process. When the PMC performs a study to meet an identified regional need in circumstances where no Stakeholder has submitted a project proposal to meet that regional need, the PMC is to pursue such studies in a not unduly discriminatory fashion. The study methods employed for PMC-initiated studies will be the same types of study methods employed for Stakeholder-initiated studies (*see, e.g.*, Section III.F addressing the use of NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects, Section III.G addressing the use of production cost modeling for regional economic projects, and Section III.H addressing the identification of Public Policy Requirements for regional public policy-driven projects).

The solution alternatives will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to fulfill the identified need practically; (2) ability to meet applicable reliability criteria or NERC Transmission Planning (TPL) Reliability Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); (6) where applicable, consistency with Public Policy Requirements or regulatory requirements, including cost recovery through regulated rates; and (7) a project must be determined by the PMC to be a more efficient or cost-effective solution to one or more regional transmission needs to be eligible for regional cost allocation, as more particularly described below.

The Regional Planning Process provides for an assessment of regional solutions falling in one or more of the following categories:

- Regional reliability solutions

- Regional economic solutions
- Regional transmission needs driven by Public Policy Requirements
- Non-transmission alternatives

The Transmission Provider encourages all interested Stakeholders to consult the Business Practice Manual for additional details regarding the planning process, timing, and implementation mechanics.

All WestConnect Transmission Owners with Load Serving Obligation shall be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans will be included in the Regional Plan base case system models.

F. WestConnect Reliability Planning Process

Once the base case is established and verified, the PMC is to perform a regional reliability assessment in which the base case system models will then be checked for adherence to the relevant NERC or WECC Transmission Planning (TPL) Reliability Standards, through appropriate studies, including, but not limited to, steady-state power flow, voltage, stability, short circuit, and transient studies as outlined in the Business Practice Manual. If a reliability violation is identified in this power flow process, the violation will be referred back to the appropriate Transmission Owner.

The PMC will identify projects to resolve any regional violations that impact more than one Transmission Owner of relevant NERC or WECC Transmission Planning (TPL) Reliability Standards or WECC criteria. In addition, an opportunity will be afforded to any interested party to propose regional reliability projects that are more efficient or cost-effective than other proposed solutions. The PMC will then identify the more efficient or cost-effective regional transmission project that meets the identified regional transmission need, taking into account factors such as how long the project would take to complete and the timing of the need. Because local Transmission Owners are ultimately responsible for compliance with NERC Reliability Standards and for meeting local needs, the local transmission plans will not be modified, however, the PMC may identify more efficient or cost-effective regional transmission projects. As seen in Exhibit 1 of this Attachment K, the PMC will perform the regional reliability assessment and, if necessary, identify a regional need for transmission projects to resolve any violations that impact more than one Transmission Owner in the fourth quarter of the planning cycle.

G. WestConnect Economic Planning Process

As part of the Regional Planning Process, the PMC is to analyze whether there are projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other economic benefits to the WestConnect Planning Region

through production cost modeling. This analysis also utilizes WECC Board-approved recommendations to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that has subsequently been validated by WestConnect. Additional projects may also be proposed by WestConnect Stakeholders or developed through the Stakeholder process for evaluation of economic benefits. Under the Regional Planning Process, the PMC will identify more efficient or cost-effective regional transmission projects, but will not modify local transmission plans.

The WestConnect economic planning process will analyze benefits via detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost and system congestion. The WestConnect economic planning process will also consider the value of decreased reserve sharing requirements in its development of a plan that is more efficient or cost-effective. As seen in Exhibit 1 of this Attachment K, the PMC will develop the production cost modeling analysis in the second (2nd) and third (3rd) quarters of the planning cycle and identify economic transmission projects in the sixth (6th) quarter and parts of the fifth (5th) and seventh (7th) quarters of the planning cycle.

H. WestConnect Public Policy Planning Process

1. Procedures for Identifying Transmission Needs Driven by Public Policy Requirements

It is anticipated that any regional transmission need that is driven by Public Policy Requirements will be addressed initially within the local planning cycles of the individual Transmission Owners in the WestConnect Planning Region through the consideration of local transmission needs driven by a Public Policy Requirement, since a Public Policy Requirement is a requirement that is imposed upon individual Transmission Owners (as opposed to a requirement that is imposed on a geographic region). For those Public Policy Requirements that affect more than one Transmission Owner in the WestConnect Planning Region, a solution identified at the local level to satisfy the local needs of the affected Transmission Owner(s), may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region.

WestConnect Transmission Owner members that are planning consistent with Order No. 890 will continue to conduct local transmission planning processes (Section II.A of this Attachment K), which provide a forum for discussions on local transmission needs driven by Public Policy Requirements. These local processes provide the basis for the individual Transmission Owners' local transmission plans, which are then incorporated into the regional base case at the start of the Regional Planning Process under Order No. 1000.

The PMC is to provide notice on the WestConnect website of both regional transmission planning meetings convened by the PMC for the WestConnect region, and local transmission planning meetings of the individual Transmission Owners in the WestConnect region.

The PMC will begin the evaluation of regional transmission needs driven by Public Policy Requirements by identifying any Public Policy Requirements that are driving local transmission needs of the Transmission Owners in the WestConnect Planning Region, and including them in the transmission system models (the regional base case) underlying the development of the Regional Plan. Then, the PMC will seek the input of Stakeholders in the WestConnect region on those Public Policy Requirements in an effort to engage Stakeholders in the process of identifying regional transmission needs driven by Public Policy Requirements. The PMC will communicate with Stakeholders through public postings on the WestConnect website of meeting announcements and discussion forums. In addition, the PMC is to establish an email distribution list for those Stakeholders who indicate a desire to receive information via electronic list serves.

After allowing for Stakeholder input on regional transmission needs driven by Public Policy Requirements and regional solutions to those needs, as part of the Regional Planning Process, the PMC is to identify in the Regional Plan those regional transmission needs driven by Public Policy Requirements that were selected by the PMC for evaluation of regional solutions.

In selecting those regional transmission needs driven by Public Policy Requirements that will be evaluated for regional solutions in the current planning cycle, the PMC is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

- (i) whether the Public Policy Requirement is driving a regional transmission need that can be reasonably identified in the current planning cycle;
- (ii) the feasibility of addressing the regional transmission need driven by the Public Policy Requirement in the current planning cycle;
- (iii) the factual basis supporting the regional transmission need driven by the Public Policy Requirement; and
- (iv) whether a Public Policy Requirement has been identified for which a regional transmission need has not yet materialized, or for which there may exist a regional transmission need but the development of a solution to that need is premature.

No single factor shall necessarily be determinative in selecting among the

potential regional transmission needs driven by Public Policy Requirements.

The process by which the PMC is to identify those regional transmission needs for which a regional transmission solution(s) will be evaluated, out of what may be a larger set of regional transmission needs, is to utilize the communication channels it has in place with Stakeholders, identified above (open meetings and discussion forums convened by the PMC), through which regional transmission needs driven by Public Policy Requirements are to be part of the open dialogue.

2. Procedures for Identifying Solutions to Regional Transmission Needs Driven by Public Policy Requirements

Stakeholders are to have opportunities to participate in discussions during the Regional Planning Process with respect to the development of solutions to regional transmission needs driven by Public Policy Requirements. Such participation may take the form of attending planning meetings, offering comments for consideration by the PMC on solutions to regional needs driven by Public Policy Requirements, and offering comments on proposals made by other stakeholders or by the PMC. Stakeholders that are members of the WestConnect PMC are performing the function of regional transmission planning and developing regional solutions to identified regional transmission needs driven by Public Policy Requirements through membership on subcommittees of the PMC.

After allowing for Stakeholder input on solutions to regional transmission needs driven by Public Policy Requirements, as part of the Regional Planning Process, the PMC is to identify in the Regional Plan those regional transmission solutions driven by Public Policy Requirements that were selected by the PMC and any regional transmission project(s) that more efficiently or cost-effectively meet those needs.

The procedures for identifying and evaluating potential solutions to the identified transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the Regional Planning Process, whether or not submitted for purposes of cost allocation.

The PMC will perform a Public Policy Requirements analysis to help identify if a transmission solution is necessary to meet an enacted public policy. For a transmission need driven by Public Policy Requirements, the PMC will identify if a more efficient or cost-effective regional transmission solution exists based upon several different considerations, including consideration of whether the project is necessary and capable of meeting transmission needs driven by Public Policy Requirements, while also

- (i) Efficiently resolving any criteria violations identified by studies pursuant to any relevant NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects or WECC Transmission Planning (TPL) Reliability Standards or WECC criteria, as applicable, that could impact more than one Transmission Owner as a result of a Public Policy Requirement, or
- (ii) Producing economic benefits shown through detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost, system congestion and the value of decreased reserve sharing requirements.

The PMC will develop the public policy analysis in the sixth (6th) quarter and parts of the fifth (5th) and seventh (7th) quarters of the planning cycle.

3. Proposed Public Policy

A public policy that is proposed, but not required (because it is not yet enacted or promulgated by the applicable governmental authority) may be considered through Section III.G (WestConnect Economic Planning Process) of this Attachment K, if time and resources permit.

4. Posting of Public Policy Needs

WestConnect will maintain on its website (i) a list of all transmission needs identified that are driven by Public Policy Requirements and that are included in the studies for the current regional transmission planning cycle; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

I. Consideration of Non-Transmission Alternatives

Non-transmission alternatives submitted in accordance with Section III.C.6 above will be evaluated to determine if they will provide a more efficient or cost-effective solution to an identified regional transmission need. Non-transmission alternatives include, without limitation, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines, such as distributed generation resources, demand side management (load management, such as energy efficiency and demand response programs), energy storage facilities and smart grid equipment that can help eliminate or mitigate a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet grid needs driven by Public Policy Requirements. Non-transmission alternatives are not eligible for regional cost allocation.

J. Approval of the WestConnect Regional Plan

The Cost Allocation Subcommittee is to submit, for review and comment, the results of its project benefit/cost analysis and beneficiary determination to the PMC Chair and to the identified beneficiaries of the transmission projects proposed for cost allocation. The PMC shall make available to its Members sufficient information to allow for a reasonable opportunity to comment on the proposed selection. The PMC shall not make a determination on the project benefit/cost analysis and beneficiary determination until it has reviewed all comments. Upon approval of the PMC, the project benefit/cost analysis and beneficiary identifications shall be posted by the PMC on the WestConnect website.

1. CTO Acceptance of Cost Allocation

Each CTO beneficiary will indicate whether it accepts the cost allocation for the project, as follows:

- (i) A CTO Member, in its sole discretion, may elect to accept a cost allocation for each separate transmission facility for which it is identified as a beneficiary, but only if it notifies the Chair of the PMC in writing of its decision to accept any such cost allocation within sixty (60) calendar days after the benefit/cost analysis is posted by the PMC under this Section III.J; provided, however, that the PMC has the discretion to extend the 60-day period when additional time is necessary for an identified beneficiary to complete its internal review and deliberation process before deciding to accept the cost allocation.
- (ii) A CTO Member giving notice that it elects to accept a cost allocation for a transmission facility may rescind that notice at any time prior to the end of the sixty (60) day period, or such extended period established in this Section III.J.1.i.
- (iii) A CTO Member that does not accept a cost allocation for a transmission facility will not be subject to cost allocation for that transmission facility.

The information made available under this Section III.J will be electronically masked and made available pursuant to a process that the PMC reasonably determines is necessary to prevent the disclosure of confidential information or CEII contained in the information.

2. Recalculation of Benefits and Costs for Reliability Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections III.F through III.H (for which the regional project would have avoided an alternative reliability project in such CTO's local transmission plan) will be removed as a regional transmission need for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation.

3. Recalculation of Benefits and Costs for Public Policy Requirements Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections III.F through III.H (for which the regional project would have avoided an alternative Public Policy Requirements project in such CTO's local transmission plan) will be removed as a regional transmission need for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation. This shall include any such CTO's resource needs necessary to comply with Public Policy Requirements.

4. Recalculation of Benefits and Costs for Economic Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission benefits which were included within the identification of the regional project's economic benefits under Sections III.F through III.H will be removed as a regional

transmission benefit for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation. This shall include the value of any economic benefits determined through the regional transmission plan to accrue to such CTO.

5. Resultant Increase in Beneficiary Cost Allocation

Any regional transmission project that continues to meet the region's benefit/cost and other criteria for regional cost allocation will remain eligible for selection in the Regional Plan for purposes of cost allocation.

6. Approval of the WestConnect Regional Transmission Plan

Upon completion of the process outlined above, the PMC will vote on whether to accept the proposed plan. The Regional Plan will document why projects were either included or not included in the Regional Plan. In addition, the Regional Plan is to describe the manner in which the applicable regional cost allocation methodology was applied to each project selected in the Regional Plan for purposes of regional cost allocation. Projects that meet system needs are incorporated into the Regional Plan. Participant funded projects and other types of projects may be included in the Regional Plan; however, those projects are not eligible for regional cost allocation.

K. Reevaluation of the WestConnect Regional Plan

The PMC is the governing body responsible for deciding whether to reevaluate the Regional Plan to determine if the conditions, facts and/or circumstances relied upon in initially selecting a transmission project for inclusion in the Regional Plan for purposes of cost allocation have changed and, as a result, require reevaluation. The Regional Plan and any project selected for cost allocation in the Regional Plan, including any local or single-system transmission projects or planned transmission system upgrades to existing facilities selected for purposes of cost allocation, shall be subject to reevaluation in each subsequent planning cycle according to the criteria below. Upon reevaluation, the Regional Plan and any projects selected for purposes of cost allocation in connection therewith may be subject to modification, including the status as a project selected for cost allocation, with any costs reallocated under Section VI as if it were a new project. Only the PMC has the authority to modify the status of a transmission project selected for cost allocation. Conditions that trigger reevaluation are:

- The underlying project characteristics and/or regional or interregional needs change in the Regional Plan. Examples include, but are not limited to: (a) a project's failure to secure a developer, or a developer's failure to maintain the qualifications necessary to utilize regional cost allocation, or (b) a change (increase or decrease) in the identified beneficiaries of a project (which changes may occur through company acquisitions, dissolutions, or otherwise), (c) a change in the status of a large load that contributes to the need for a project, or (d) projects affected by a change in law or regulation;
- Projects that are delayed and fail to meet their submitted in-service date by more than two (2) years. This includes projects delayed by funding, regulatory approval, contractual administration, legal proceedings (including arbitration), construction delays, or other delays;
- Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations; and
- Projects with a change in the calculation of benefits or benefit/cost (B/C) ratio that may affect whether the project selected for inclusion in the Regional Plan for purposes of cost allocation is a more efficient or cost-effective regional solution.
 - Example 1: Where an increase in the selected project's costs, including but not limited to, material, labor, environmental mitigation, land acquisition, operations and maintenance, and mitigation for identified transmission system and region, causes the total project costs to increase above the level upon which the project was initially selected for inclusion in the Regional Plan for purposes of cost allocation, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current cost information.
 - Example 2: A selected project's benefits may include identification of a reliability benefit in the form of remedying a violation of a Reliability Standard. If the identified beneficiary implements improvements, such as a Remedial Action Scheme, to achieve reliability in compliance with the Reliability Standard at issue, inclusion of the regional project in the regional plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current benefit information.

- Example 3: Where a project's estimated benefits include benefits in the form of avoided costs (*e.g.*, a regional project's ability to avoid a local project), and the project is not avoided, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient or cost-effective solution under current facts and circumstances.

Projects selected for purposes of cost allocation will continue to be reevaluated until all the following conditions have been met:

- State and federal approval processes completed and approved (including cost recovery approval under Section 205 of the Federal Power Act as applicable);
- All local, state, and federal siting permits have been approved; and
- Major construction contracts have been issued.

When the Regional Plan is reevaluated as a result of any of the conditions triggering reevaluation addressed above, the PMC is to determine if an evaluation of alternative transmission solutions is needed in order to meet an identified regional need. In doing so, the PMC is to use the same processes and procedures it used in the identification of the original transmission solution to the regional need. If an alternative transmission solution is needed, the incumbent Transmission Owner may propose one or more solutions that it would implement within its retail distribution service territory or footprint, and if such proposed solution is a transmission facility, the Transmission Owner may submit the project for possible selection in the Regional Plan for purposes of cost allocation.

Projects not subject to reevaluation include, but are not limited to, the following:

- Local or single system transmission projects that have been identified in individual Transmission Owner's Transmission Planning (TPL) Reliability Standards compliance assessments to mitigate reliability issues and that have not been proposed for (and selected by the PMC for) regional cost allocation; and
- Planned transmission system upgrades to existing facilities that have not been proposed for (and selected by the PMC for) regional cost allocation.

Projects meeting any of the following criteria as of the Effective Date will also not be subject to reevaluation under the Regional Planning Process:

- Projects of Transmission Owners who have signed the Planning Participation Agreement and that have received approval through local or state regulatory authorities or board approval;
- Local or single system transmission projects that have been planned and submitted for inclusion in the Regional Plan or exist in the 10-year corporate capital project budgets; and
- Projects that are undergoing review through the WECC Project Coordination and Rating Review Process as of the Effective Date.

L. Confidential or Proprietary Information

Although the Regional Planning Process is open to all Stakeholders, Stakeholders will be required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information, or information eligible for designation as CEII. From time to time, the regional transmission planning studies and/or open Stakeholder meetings may include access to base case data that are WECC proprietary data, information classified as CEII by FERC, information eligible for designation as CEII, or other similar confidential or proprietary information. In such cases, access to such confidential or proprietary information shall be limited to only those Stakeholders that (i) hold membership in or execute a non-disclosure agreement (NDA) with WECC (*see* www.wecc.biz); or (ii) execute a non-disclosure agreement with the applicable WestConnect Planning Region members; or (iii) are parties to the Planning Participation Agreement, as may be applicable.

Any entity wishing to access confidential information, subject to all applicable Standards of Conduct requirements, discussed in the Regional Planning Process must execute an NDA, and submit it to NDA@westconnect.com.

IV. Coordination at the Western Interconnection Level

A. Transmission Provider-WestConnect Coordination

The Transmission Provider shall coordinate its plan on a regional basis through WestConnect. WestConnect will coordinate its Regional Plan with WECC.

B. Procedures for Interregional Planning Project Review

1. WECC Coordination of Reliability Planning
 - a. WECC develops the Western Interconnection-wide databases for

transmission planning analysis such as power flow, stability and dynamic voltage stability studies. The WECC-approved base cases are used for study purposes by transmission planners, regional transmission planning groups, and other entities that have signed non-disclosure agreements with WECC.

- b. WECC maintains a database for reporting the status of all planned projects throughout the Western Interconnection.
- c. WECC provides for coordination of planned projects through its Procedures for Regional Planning project review.
- d. WECC's path rating process ensures that a new project will have no adverse effect on existing projects.

2. WECC Open Stakeholder Meetings

Western Interconnection-wide economic planning studies are conducted by WECC in an open Stakeholder process that holds region-wide Stakeholder meetings on a regular basis. The WECC Transmission Planning Protocol, including the procedures for prioritizing and completing regional economic studies, is posted on the WECC website. See www.wecc.biz. The Transmission Provider participates in the region-wide planning processes, as appropriate, to ensure data and assumptions are coordinated.

3. Role of WECC

WECC provides two main functions in relation to the WestConnect Regional Planning Process:

- a. Development and Maintenance of the West-Wide Economic Planning Study Database.
 - (i) WECC uses publicly available data to compile a database that can be used by a number of economic congestion study tools.
 - (ii) WECC's database is available for use in running economic congestion studies. For an interested Stakeholder to utilize WECC's PROMOD planning model, it must comply with WECC confidentiality requirements.
- b. Performance of Economic Planning Studies

WECC has subcommittees and work groups through which it will update databases, develop and approve a study plan that includes studying transmission customer high priority economic planning study requests as determined by the open WECC Stakeholder process, perform the approved studies and document the results in a report.

c. Identification of Congested Paths for WestConnect Economic Review

Through WECC's economic study process, congested paths may be reviewed and identified as being candidates for economic transmission studies. Upon WECC Board approval of a designation for such a path and WestConnect validation, the Regional Planning Process will review the path for potential economic transmission solutions.

V. Dispute Resolution

In the event of a dispute concerning either a procedural or substantive matter within the jurisdiction of FERC, the following dispute resolution processes will apply:

A. WECC

If the dispute is one that is within the scope of the WECC dispute resolution procedures, then such procedures contained in the WECC Business and Governance Guidelines and Policies will apply. See www.wecc.biz.

B. Non-WECC Disputes

For disputes not within the scope of the WECC dispute resolution procedures, and for disputes not between or among the members of the PMC (which disputes will be subject to the dispute resolution provisions set forth in Section V.D), the dispute resolution procedures set forth in Section 12 of the Tariff will apply, with the added provision that upon agreement of the parties, any dispute that is not resolved by direct negotiation between or among the affected parties within a reasonable period of time, may be referred to mediation (before or during arbitration), and all applicable timelines will be suspended until such time as the mediation process terminates (unless otherwise agreed by the parties). Notwithstanding that the dispute resolution procedures under Section 12 of the Tariff apply only to the Transmission Provider and its transmission customers, Section 12 of the Tariff will be deemed to be applicable to Stakeholders for purposes of this Attachment K, except as otherwise provided herein.

All mediations and/or arbitrations arising from disputes under the Regional Planning Process in this Attachment K shall be held in Bismarck, North Dakota, unless otherwise

agreed to by the Parties.

C. Resolution by FERC

Notwithstanding anything to the contrary in this Section V, any affected party may refer either a procedural or substantive matter within the Commission's jurisdiction to the Commission for resolution.

D. Disputes Between PMC Members

For disputes between members of the PMC, the following dispute resolution procedures are to apply:

1. Initiating Dispute Resolution

The disputing PMC member(s) initiates its dispute by providing written notification to the PMC (or a designated sub-committee of the PMC) in accordance with the provisions of the Planning Participation Agreement, in which event the PMC will seek to resolve the dispute through discussion, negotiation and the development of a recommended course of action. The PMC may act to adopt a resolution recommended by its own committee members or sub-committees, or alternatively the disputing parties may act to refer the dispute to arbitration for resolution.

2. Arbitration

A dispute may be referred to arbitration under the governing provisions of the Planning Participation Agreement.

3. Resolution by FERC

The availability of the dispute resolution avenues identified above does not eliminate a disputing PMC member's(s') right under the Federal Power Act to refer either a procedural or substantive matter within the Commission's jurisdiction to the Commission for resolution.

VI. Cost Allocation

A. Local Transmission Projects

Local Transmission Projects are projects located within a Transmission Owner's retail distribution service territory or footprint unless such projects are submitted and selected in the Regional Plan for purposes of cost allocation.⁴ A Transmission Owner is not precluded from proposing Local Transmission Projects for inclusion in the Regional Plan

for purposes of cost allocation in the Regional Planning Process. A Local Transmission Project that is not submitted or not selected for inclusion in the Regional Plan is not eligible for cost allocation in the Regional Plan, and not subject to the provisions governing regional cost allocation set forth below.

Note 4: The reference to a Transmission Owner's "footprint" refers to the electrical footprint of the Transmission Owner (i.e. the location of that Transmission Owner's electrical assets) and not necessarily the physical/spatial footprint. Where a Transmission Owner within the WestConnect Planning Region is a transmission-only company with no retail distribution service territory, the term "footprint" would refer to the location of the transmission facilities of such transmission-only company.

For any transmission project where the Transmission Provider is the sole owner or such project is to be built within or for the benefit of the Transmission Provider's existing Transmission System such as local, small and/or reliability transmission projects, the Transmission Provider shall proceed with the project pursuant to its rights and obligations as a transmission provider for the local area. Any projects necessary to ensure reliability or that provide economic benefits to the Transmission Provider's Transmission System and that fall outside the requirements for inclusion in the Regional Plan for purposes of cost allocation are eligible to be considered Local Transmission Projects.

The Transmission Provider may share ownership, and associated costs, of any new transmission project, based upon mutual agreement between the parties. Such a joint ownership arrangement may arise because of existing joint ownership of facilities in the area of the new facilities, overlapping service territories, or other relevant considerations.

1. Open Season Solicitation of Interest

For any transmission project identified through the Transmission Provider's reliability or economic planning studies in which the Transmission Provider is the project sponsor, the Transmission Provider may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination by the Transmission Provider to hold an open season solicitation of interest for a transmission project, the Transmission Provider will:

- a. Announce and solicit interest in the project through informational meetings, its website, and/or other means of dissemination as appropriate.
- b. Hold meetings with interested parties, state public utility commission staffs from potentially affected states, and other affected Stakeholders.
- c. Post information via the Transmission Provider's website.

- d. Develop the initial transmission project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.
- e. Whether as a project sponsor or a participant, coordinate as necessary with any other participant or sponsor, as the case may be, to integrate into the Transmission Provider's ten year Transmission Plan any other planned project on or interconnected with the Transmission Provider's Transmission System.

B. Regional Transmission Projects

For any project determined by the PMC to be eligible for regional cost allocation, project costs will be allocated proportionally to those entities determined by the PMC, as shown in the Regional Plan, to be beneficiaries in the WestConnect Planning Region, as identified in this Attachment K, subject to the processes set forth in Sections III through VI.

The PMC, with input from the CAS, is to determine whether a project is eligible for regional cost allocation, and assesses the project's costs against its benefits in accordance with the following factors:

- Benefits and beneficiaries will be identified before cost allocation methods are applied.
- Cost assignments shall be commensurate with estimated benefits.
- Those that receive no benefits must not be involuntarily assigned costs.
- A benefit-to-cost threshold of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded.
- Costs must be allocated solely within the WestConnect Planning Region, unless other regions or entities voluntarily assume costs.
- Costs for upgrades on neighboring transmission systems or other planning regions that are (i) required to be mitigated by the WECC Path Rating process, FERC tariff requirements, or NERC Reliability Standards, or (ii) negotiated among interconnected parties will be included in the total project costs and used in the calculation of B/C ratios.
- Cost allocation method and data shall be transparent and with adequate documentation.

- Different cost allocation methods may be used for different types of projects.

Specifically, the PMC will consider the following projects eligible for cost allocation consideration as further described below based on specified criteria:

- Reliability projects;
- Economic or congestion relief projects; or
- Public policy projects.

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses and other requirements, as specified herein, are eligible for cost allocation in the WestConnect Planning Region. The Transmission Provider encourages all interested Stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation assessment. Summary provisions are provided below:⁵

Note 5: References to “Transmission Owners” in the cost allocation provisions are to transmission owners for whom the WestConnect Planning Management Committee is performing the function of regional transmission planning. At present, those Transmission Owners are Transmission Owners with a Load Serving Obligation members.

1. Allocation of Costs for Reliability Projects

In order to allocate costs to Transmission Owners for system reliability improvements that are necessary for their systems to meet the NERC Transmission Planning (TPL) Reliability Standards, the WestConnect cost allocation procedure shall allocate costs for system reliability improvements only when a system improvement is required to comply with the NERC Transmission Planning (TPL) Reliability Standards during the planning horizon.

All components of a Transmission Owner’s local transmission plan shall be included in the Regional Plan and shall be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis shall be performed on the collective plans to ensure the combined plans adhere to all relevant NERC Transmission Planning (TPL) Reliability Standards and Stakeholders shall be afforded an opportunity to propose projects that are more efficient or cost-effective than components of multiple Transmission Owner local plans as outlined in Section III.F, above.

Should a reliability issue be identified in the review of the included local transmission plan, the project necessary to address that reliability issue shall be

included in the Regional Plan and the cost shall be shared by the utilities whose load contributed to the need for the project.

Should multiple utilities have separate reliability issues that are addressed more efficiently or cost-effectively by a single regional project, that regional project shall be approved for selection in the Regional Plan and the cost shall be shared by those Transmission Owners in proportion to the cost of alternatives that could be pursued by the individual Transmission Owners to resolve the reliability issue. The ultimate responsibility for maintaining system reliability and compliance with NERC Transmission Planning (TPL) Reliability Standards rests with each Transmission Owner.

The costs for regional reliability projects shall be allocated according to the following equation:

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant Transmission Owner's retail distribution service territory or footprint
- 2 is the total cost of local reliability upgrades in the combination of Transmission Owners' retail distribution service territories or footprints necessary to avoid construction of the regional reliability project
- 3 is the total cost of the regional reliability project
- 4 is the total cost allocated to the relevant Transmission Owner's retail distribution service territory or footprint

The manner in which the PMC applied this methodology to allocate the costs of each regional reliability project shall be described in the Regional Plan.

2. Allocation of Costs for Economic Projects

Cost allocation for economic projects associated with congestion relief that provide for more economic operation of the system will be based on the calculation of economic benefits that each Transmission Owner system will receive. Cost allocation for economic projects shall include scenario analyses to ensure that benefits will actually be received by beneficiaries with relative certainty. Projects for which benefits and beneficiaries are highly uncertain and vary beyond reasonable parameters based on assumptions about future conditions will not be selected for cost allocation.

In order for a project to be considered economically-justified and receive cost

allocation associated with economic projects, the project must have a B/C ratio that is greater than 1.0 under each reasonable scenario evaluated and have an average ratio of at least 1.25 under all reasonable scenarios evaluated. Costs will be allocated on the basis of the average of all scenarios evaluated. The B/C ratio shall be calculated by the PMC. This B/C ratio shall be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

The cost of any project that has an aggregate 1.25 B/C ratio or greater will be divided among the Transmission Owners that show a benefit based on the amount of benefits calculated to each respective Transmission Owner. For example, if a \$100 million dollar project is shown to have \$150 million in economic benefit, the entities for which the economic benefit is incurred will be determined. The cost of the project will then be allocated to those entities, based on the extent of each entity's economic benefits relative to the total project benefits. This will ensure that each entity that is allocated cost has a B/C ratio equal to the total project B/C ratio. For example:

- Project with \$150 million in economic benefit and \$100 million in cost
 - Company 1 has \$90 million in benefits; Company 2 has \$60 million in benefits
 - Company 1 allocation: $90/150 (100) = \$60$ million
 - Company 1 B/C ratio: $90/60 = 1.5$
 - Company 2 allocation: $60/150 (100) = \$40$ million
 - Company 2 B/C ratio: $60/40 = 1.5$

Other than through the reevaluation process described in Section III.J of this Attachment K, the benefits and costs used in the evaluation shall only be calculated during the planning period and shall be compared on a net present value basis.

The WestConnect economic planning process shall consider production cost savings and reduction in reserve sharing requirements as economic benefits capable of contributing to the determination that a project is economically justified for cost allocation. Production cost savings are to be determined by the PMC performing a product cost simulation to model the impact of the transmission project on production costs and congestion. Production cost savings will be calculated as the reduction in production costs between a production cost simulation with the project included compared to a simulation without the project. Reductions in reserve sharing requirements are to be determined by the PMC

identifying a transmission project's impact on the reserve requirements of individual transmission systems, and not on the basis of the project's collective impact on a reserve sharing group, as a whole. The production cost models are to appropriately consider the hurdle rates between transmission systems. The following production cost principles may be applied:

- The production cost savings from a project must be present in each year from the project in-service date and extending out at least ten (10) years.
- Cost savings must be expressed in present-value dollars and should consider the impact of various fuel cost forecasts.
- The production cost study must account for contracts and agreements related to the use of the transmission system (this refers to paths in systems that might be contractually limited but not reliability limited).
- The production cost study must account for contracts and agreements related to the access and use of generation (this refers to generators that might only use spot purchases for fuel rather than firm purchases, or generation that has been designated as network resources for some entities and thus cannot be accessed at will by non-owners).

Access by Stakeholders to the PMC's application of its regional cost allocation method for a specific economic transmission project is available in several ways: First, Stakeholders that are members of the PMC will have firsthand knowledge of the way in which the regional method was applied to a particular project because the PMC is responsible for performing the application of the regional cost allocation method. Second, Stakeholders that choose not to become members of the PMC may access such information through the WestConnect regional Stakeholder process. *See* Section III.B of this Attachment K. Third, the manner in which the PMC applied this methodology to allocate the costs of each economic project shall be described in the Regional Plan.

In determining which entities shall be allocated costs for economic projects, WestConnect shall compare the economic value of benefits received by an entity with the cost of the project to ensure that each entity allocated cost receives a benefit/cost ratio equal to the aggregate load-weighted benefit-to-cost ratio. These costs allocated to each company shall be calculated based on the following equation:

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the total projected present value of economic benefits for the relevant Transmission Owner
- 2 is the total projected present value of economic benefits for the entire project
- 3 is the total cost of the economic project
- 4 is the total cost allocated to the relevant Transmission Owner

Any Transmission Owner with benefits less than or equal to one percent of total project benefits shall be excluded from cost allocation. Where a project satisfies the B/C ratio, and is determined to provide benefits less than or equal to one percent of total project benefits to an identified Transmission Owner, such benefits will be re-allocated to all other identified beneficiaries on a pro rata basis, in relation to each entity's share of total project benefits.

3. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from Public Policy Requirements shall be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from proposed public policy shall be reported by each entity for its own service territory. Decisions on the inclusion of those needs shall be made during the consideration and approval of the system models. Transmission needs driven by Public Policy Requirements will be included in the evaluation of reliability and economic projects.

Except for projects proposed through a Transmission Owner's local transmission planning process, arising out of a local need for transmission infrastructure to satisfy Public Policy Requirements that are not submitted as projects proposed for cost allocation (which are addressed in Section II of this Attachment K), any projects arising out of a regional need for transmission infrastructure to satisfy the Public Policy Requirements shall be considered public policy projects eligible for evaluation in the Regional Planning Process.

Stakeholders may participate in identifying regional transmission needs driven by Public Policy Requirements. After seeking the input of Stakeholders pursuant to the Stakeholder participation provisions of Section III, the PMC is to determine whether to move forward with the identification of a regional solution to a particular regional need driven by Public Policy Requirements. Stakeholders may participate in identifying a regional solution to a regional need driven by Public Policy Requirements pursuant to the Stakeholder participation provisions of Section III, or through membership on the PMC itself. After seeking the input of Stakeholders, the PMC is to determine whether to select a particular regional solution in the regional transmission plan for purposes of cost allocation. The

identification of beneficiaries of these projects shall be the entities that shall access the resources enabled by the project in order to meet their Public Policy Requirements.

If an entity accesses resources that were enabled by a prior public policy project, that entity shall need to either share in its relative share of the costs of that public policy project or acquire sufficient transmission service rights to move the resources to its load with the determination left up to the entity or entities that were originally allocated the cost for the public policy project.

The costs for public policy projects shall be allocated according to the following equation:

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the number of megawatts of public policy resources enabled by the public policy project for the entity in question
- 2 is the total number of megawatts of public policy resources enabled by the public policy project
- 3 is the total project cost
- 4 is the cost for the public policy project allocated to the entity in question

The process to interconnect individual generation resources would be provided for under the generator interconnection section each utility's Open Access Transmission Tariff (OATT) and not under this process.

Requests for transmission service that originate in a member's system and terminate at the border shall be handled through that member's OATT. Regional transmission needs necessary to meet Public Policy Requirements shall be addressed through the Public Policy Requirements section of the Regional Planning Process.

The manner in which WestConnect applied this methodology to each public policy project shall be described in the Regional Transmission Plan.

4. Combination of Benefits

In developing a more efficient or cost-effective plan, it is possible for the plan to jointly consider multiple types of benefits when approving projects for inclusion in the Regional Plan. The determination to consider multiple types of benefits for a particular project shall be made through the WestConnect Stakeholder process, in which interested Stakeholders are given an opportunity to provide input as set

forth in Section III of this Attachment K. In determining whether a project would provide multiple benefits, the PMC is to categorize the benefits as (a) necessary to meet NERC Transmission Planning (TPL) Reliability Standards (reliability); (b) achieving production cost savings or a reduction in reserve sharing requirements (economic); or (c) necessary to meet transmission needs driven by Public Policy Requirements, as applicable, using the methods set forth in this Attachment K. The PMC will identify all three categories of benefits in its regional cost allocation process. If a project cannot pass the cost allocation threshold for any one of the three benefit categories, alone (reliability, economic or public policy), the sum of benefits from each benefit category may be considered.

- With respect to a reliability-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater, by a margin of 1.25 or more to 1, than the result of the equation identified in Section VI.B.1 above (where the result is shown as item 4 in the formula).
- With respect to an economic-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater than the project's cost to each beneficiary under each reasonable scenario evaluated, and must yield an average ratio of at least 1.25 to 1 under all reasonable scenarios evaluated, as described in Section VI.B.2 above.
- With respect to a Public Policy Requirements-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater, by a margin of 1.25 or more to 1, than the result of the equation identified in Section VI.B.3 above (where the result is shown as item 4 in the formula).

If a single regional transmission project is determined to provide benefits in more than one category, but does not meet the benefit-to-cost threshold for any single category, the PMC may consider the sum of benefits from each benefit category to determine if the regional transmission project provides, in total, benefits per beneficiary that meet or exceed the region's 1.25 to 1 benefit-to-cost ratio. To illustrate, consider the following example where a regional project developed to provide public policy requirement benefits might also provide for economic benefits to the same beneficiaries:

A regional project submittal has undergone analysis for its quantifiable benefits and costs and is determined to cost \$100 million and produce benefits to identified beneficiaries in two categories: economic benefits of \$101 million (on average, under all economic scenarios quantified), and public policy requirement benefits of \$70 million. The project is found to

fail the benefit-to-cost threshold for each category, individually, but when the total benefits are combined and the project's total regional benefits per beneficiary are weighed against the project's total costs per beneficiary, the project can be found to meet or surpass the region's 1.25 to 1 benefit-to-cost ratio per beneficiary:

- The benefits to Beneficiary A of pursuing the regional solution (60% of the regional project's total \$171 million in benefits) = \$102.6 million. When \$102.6 million in project benefits is compared against \$60 million in project costs (60% of project costs), it yields a B/C ratio of 1.71 to 1 for Beneficiary A.
- The benefits to Beneficiary B of pursuing the regional solution (40% of the regional project's total \$171 million in benefits) = \$68.4 million. When \$68.4 million in project benefits is compared against \$40 million in project costs (40% of project costs), it yields a B/C ratio of 1.71 to 1 for Beneficiary B.

Even though the regional project does not pass the cost allocation threshold in any individual benefit category, the PMC may consider the sum of the project's benefits in all categories.

For those regional projects that satisfy the region's cost allocation threshold, the PMC then will continue its evaluation process by considering whether the regional project meets the region's identified reliability, economic and Public Policy Requirements-driven needs more efficiently or cost-effectively than solutions identified by individual transmission providers in their local transmission planning processes.

The costs for projects that rely upon multiple types of benefits to secure inclusion in the Regional Plan for purposes of cost allocation shall be shared according to the amount of cost that is justified by each type of benefit.

5. Allocation of Ownership and Capacity Rights

An Eligible Transmission Developer that is subject to the Commission's jurisdiction under Section 205 of the Federal Power Act may not recover project costs from identified beneficiaries in the WestConnect Planning Region without securing approval for project cost recovery from the Commission through a separate proceeding brought by the Eligible Transmission Developer under Section 205 of the Federal Power Act. In no event will identified beneficiaries in the WestConnect Planning Region from whom project costs are sought to be recovered under Section 205 be denied either transmission transfer capability or ownership rights proportionate to their allocated costs, as determined by the

Commission in such proceeding. An Eligible Transmission Developer that is not subject to the Commission's jurisdiction under Section 205 of the Federal Power Act would have to seek cost recovery from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from the Commission for project cost recovery pursuant to any other applicable section of the Federal Power Act.

If a project beneficiary receives transmission transfer capability on the project in exchange for transmission service payments, such project beneficiary may resell the transfer capability. Alternatively, a project beneficiary could seek to make a direct capital contribution to the project construction cost (in lieu of making transmission service payments) in which case the project beneficiary would instead receive an ownership percentage in proportion to their capital contribution (Ownership Proposal). This Ownership Proposal does not create a right of first refusal for transmission beneficiaries.

An ownership alternative will only be pursued if the Eligible Transmission Developer agrees. The Eligible Transmission Developer and the beneficiaries will enter into contract negotiations to address the many details regarding the capital funding mechanics and timing, as well as other details, such as defining (as between the Eligible Transmission Developer, whether a nonincumbent or incumbent transmission developer, and those receiving ownership interests) responsibility for operations and maintenance, administrative tasks, compliance with governing laws and regulations, etc. These negotiations will take place at arm's length, without any one party having undue leverage over the other.

A transmission project beneficiary should not be expected to pay for its benefits from the project twice: once through a capital contribution, and again through transmission service payments. The Ownership Proposal permits an ownership share in a project that is in the same proportion to a beneficiary's allocable costs, which costs will have been allocated roughly commensurate with the benefits to be gained from the project. This will allow the beneficiary to earn a return on its investment. In addition, it allows those beneficiaries that may not necessarily benefit from additional transfer capability on a new transmission project, whether due to lack of contiguity to the new facilities or otherwise, to realize the benefits through an ownership option.

Any transmission project participant that is identified as a beneficiary of the project might be permitted by the Eligible Transmission Developer to contribute capital (in lieu of transmission service payments) and receive a proportionate share of ownership rights in the transmission project. The Ownership Proposal affords

an identified beneficiary who contributes toward the project costs the opportunity to obtain an ownership interest in lieu of an allocated share of the project costs through transmission service payments for transfer capability on the project; it does not, however, confer a right to invest capital in a project. The Ownership Proposal merely identifies that, to the extent it is agreed among the parties that capital may be contributed toward a transmission project's construction, a proportionate share of ownership rights will follow.

Nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes any new service on beneficiaries. Similarly, nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes on an Eligible Transmission Developer an obligation to become a provider of transmission services to identified beneficiaries simply as a result of a project's having been selected in the Regional Plan for purposes of cost allocation; provided, however, if that Eligible Transmission Developer seeks authorization to provide transmission services to beneficiaries or others, and to charge rates or otherwise recover costs from beneficiaries or others associated with any transmission services it were to propose, it must do so by contract and/or under separate proceedings under the Federal Power Act. The purpose of this Section VI.B.5 is to (a) provide an option to a project developer to negotiate ownership rights in the project with identified beneficiaries, if both the developer and the identified beneficiaries mutually desire to do so, (b) specify that, although Order No. 1000 cost allocation does not impose any new service on beneficiaries, identified beneficiaries have the opportunity to discuss with the project developer the potential for entering into transmission service agreements for transmission capacity rights in the project, and (c) ensure that Order No. 1000 cost allocation does not mean that a project developer may recover project costs from identified beneficiaries without providing transmission transfer capability or ownership rights, and without securing approval for project cost recovery by contract and/or under a separate proceeding under the Federal Power Act.

If an Eligible Transmission Developer is not subject to FERC's jurisdiction under Section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

6. Project Development Schedule

The WestConnect PMC will not be responsible for managing the development of

any project selected for inclusion in the Regional Plan. However, after having selected a project in the Regional Plan, the PMC will monitor the status of the project's development. If a transmission facility is selected for inclusion in the Regional Plan for purposes of cost allocation, the transmission developer of that transmission facility must submit a development schedule that indicates the required steps, such as the granting of state approvals, necessary to develop and construct the transmission facility such that it meets the regional transmission needs of the WestConnect Planning Region. As part of the ongoing monitoring of the status of the transmission project once it is selected, the Transmission Owners and Providers in the WestConnect Planning Region shall establish the dates by which the required steps to construct must be achieved that are tied to when construction must begin to timely meet the need that the project is selected to address. If such required steps have not been achieved by those dates, then the Transmission Owners and Providers in the WestConnect Planning Region may remove the transmission project from the selected category and proceed with reevaluating the Regional Plan to seek an alternative solution.

7. Economic Benefits or Congestion Relief

If an entity submits a request for a project wholly on the Transmission Provider's Transmission System for economic reasons or congestion relief, the project costs will be allocated to the entity submitting the request.

8. Selection of a Transmission Developer for Sponsored and Un-sponsored Projects

For any project (sponsored or unsponsored) determined by the PMC to be eligible for regional cost allocation and selected in the Regional Plan for purposes of cost allocation, the PMC shall select a transmission project developer according to the processes set forth in this section, provided that selection according to those processes does not violate applicable law where the transmission facility is to be built that otherwise prescribes the entity that shall develop and build the project. Any entity that, pursuant to applicable law for the location where the facilities are to be built, shall or chooses to develop and build the project must submit a project development schedule as required by Section VI.B.6 of this Attachment K, within the timeframe directed by the Business Practice Manual, not to exceed the time period for request for proposal responses.

For any project determined by the PMC to be eligible for regional cost allocation and selected in the Regional Plan for purposes of cost allocation, either sponsored by a transmission developer or unsponsored, that is not subject to the foregoing paragraph, the PMC shall upon posting the selected

projects, issue a request for information to all Eligible Transmission Developers under Section III.D.3 of this Attachment K soliciting their interest in developing the project(s). Each transmission developer shall respond to the request for information indicating its interest in developing the project. The PMC shall post on the WestConnect website the list of all transmission developers who responded with an expression of interest in developing the project(s). The PMC shall provide to each developer indicating interest in developing a project a request for proposals for the identified project(s) with a specified date of return for all proposals.

Each transmission developer, or partnership or joint ventures of transmission developers, shall submit information demonstrating its ability to finance, own and construct the project consistent with the guidelines for doing so set forth in the WestConnect Business Practices Manual. The PMC shall assess the submissions according to the following process and criteria:

The evaluation of the request for proposals will be at the direction of the PMC, and will involve representatives of the beneficiaries of the proposed project(s). The evaluation will include, but not be limited to, an assessment of the following evidence and criteria.

- General qualifications of the bidding entity;
- Evidence of financing/financial creditworthiness, including
 - financing plan (sources debt and equity), including construction financing and long-term financing
 - ability to finance restoration/forced outages
 - credit ratings
 - financial statements;
- Safety program and experience;
- Project description, including
 - detailed proposed project description and route
 - design parameters
 - design life of equipment and facilities
 - description of alternative project variations;
- Development of project, including
 - experience with and current capabilities and plan for obtaining state and local licenses, permits, and approvals
 - experience with and current capabilities and plan for obtaining any federal licenses and permits

- experience with and expertise and plan for obtaining rights of way
- development schedule
- development budget;
- Construction, including
 - experience with and current capabilities and plan for project construction
 - third party contractors
 - procurement plan
 - project management (cost and schedule control)
 - construction schedule
 - construction budget (including all construction and period costs;
- Operations, including
 - experience with and current capabilities and plan for project operation
 - experience with and current capabilities and plan for NERC compliance
 - security program and plan
 - storm/outage response plan
 - reliability of facilities already in operation;
- Maintenance capabilities and plans for project maintenance (including staffing, equipment, crew training, and facilities);
- Project cost to beneficiaries, including
 - total project cost (development, construction, financing, and other non-O&M costs)
 - operation and maintenance costs, including evaluation of electrical losses
 - revenue requirement, including proposed cost of equity, FERC incentives, proposed cost of debt and total revenue requirement calculation
 - present value cost of project to beneficiaries.

The PMC shall notify the developers of its determination as to which developer(s) it selected to develop the project(s) responsive to the request for proposal. The selected developer(s) must submit a project development schedule as required by Section VI.B.6 of this Attachment K.

If the PMC determines that a sponsored or unsponsored project fails to secure a developer through the process outlined in this section, the PMC shall remove the project from the Regional Plan.

After the PMC makes a determination, it will post a document on the WestConnect website within 60 days explaining the PMC's determination in selecting a particular transmission developer for a specific transmission project. The information will explain (1) the reasons why a particular transmission developer was selected or not selected, and, if applicable, (2) the reasons why a transmission project failed to secure a transmission developer.

9. No Obligation to Construct

The Regional Planning Process is intended to determine and recommend more efficient or cost-effective transmission solutions for the WestConnect Planning Region. After the Regional Plan is approved, due to the uncertainty in the planning process and the need to address cost recovery issues, the Regional Planning Process shall not obligate any entity to construct, nor obligate any entity to commit to construct, any facilities, including any transmission facilities, regardless of whether such facilities are included in any plan. Nothing in this Attachment K or the Planning Participation Agreement or any cost allocation under the Business Practice Manual or the Planning Participation Agreement will (1) determine any transmission service to be received by, or any transmission usage by, any entity, (2) obligate any entity to purchase or pay for, or obligate any entity to commit to purchase or pay for, any transmission service or usage, or (3) entitle any entity to recover for any transmission service or usage or to recover from any entity any cost of any transmission facilities, regardless of whether such transmission facilities are included in any plan. Without limiting the generality of the foregoing, nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement with respect to an Order No. 1000 cost allocation shall preclude WestConnect or any other entity from carrying out any of its statutory authorities or complying with any of its statutory obligations.

10. Binding Order No. 1000 Cost Allocation Methods

Order No. 1000 cost allocation methods as set forth in Section VI of this Attachment K are binding on identified beneficiaries enrolled in the WestConnect Planning Region, without prejudice to the following rights and obligations: (1) the right of a CTO, at its sole discretion, to decide whether to accept regional cost allocation in accordance with Section III.J; (2) the right and obligation of the PMC to reevaluate a transmission facility previously selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation under Section III.K of this Attachment K; (3) the right and obligation of an Eligible Transmission Developer to make a filing under Section 205 or other applicable provision of the Federal Power Act in order to seek approval from the Commission to recover the costs of any transmission facility selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation; (4) the right and obligation of any

interested person to intervene and be heard before the Commission in a proceeding under Section 205 or other applicable provisions of the Federal Power Act initiated by an Eligible Transmission Developer, including the right of any identified beneficiaries of the transmission facility to support or protest the filing and to present evidence on whether the proposed cost recovery is or is not just and reasonable; and (5) the right and obligation of the Commission to act under Section 205 or other applicable provisions of the Federal Power Act to approve or deny any cost recovery sought by an Eligible Transmission Developer for a transmission facility selected in the regional plan for purposes of Order No. 1000 cost allocation.⁶

Note 6: An Eligible Transmission Developer may not be subject to the Commission's Section 205 jurisdiction. See Section VI.B.5. If an Eligible Transmission Developer is not subject to FERC's jurisdiction under Section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from the Commission for project cost recovery pursuant to any other applicable section of the Federal Power Act.

11. Impacts of a Regional Project on Neighboring Planning Regions

The PMC is to study the impact(s) of a regional transmission project on neighboring planning regions, including the resulting need, if any, for mitigation measures in such neighboring planning regions. If the PMC finds that a regional transmission project in the WestConnect Planning Region causes impacts on a neighboring planning region that requires mitigation (a) by the WECC Path Rating Process, (b) under FERC OATT requirements, (c) under NERC Reliability Standards requirements, and/or (d) under any negotiated arrangement between the interconnected entities, the PMC is to include the costs of any such mitigation measures into the regional transmission project's total project costs for purposes of determining the project's eligibility for regional cost allocation under the procedures identified in Section VI.B of this Attachment K, including application of the region's benefits-to-costs analysis.

The WestConnect Planning Region will not be responsible for compensating a neighboring planning region, transmission provider, Transmission Owner, Balancing Area Authority, or any other entity, for the costs of any required mitigation measures, or other consequences, on their systems associated with a regional transmission project in the WestConnect Planning Region, whether identified by the PMC or the neighboring system(s). The PMC does not direct the

construction of transmission facilities, does not operate transmission facilities or provide transmission services, and does not charge or collect revenues for the performance of any transmission or other services. Therefore, in agreeing to study the impacts of a regional transmission facility on neighboring planning regions, the PMC is not agreeing to bear the costs of any mitigation measures it identifies. However, the PMC will request of any developer of a regional transmission project selected in the Regional Plan for purposes of cost allocation that the developer design and build its project to mitigate the project's identified impacts on neighboring planning regions. If the project is identified as impacting a neighboring planning region that accords less favorable mitigation treatment to the WestConnect Planning Region than the WestConnect Planning Region accords to it, the PMC will request that the project developer reciprocate by using the lesser of (i) the neighboring region's mitigation treatment applicable to the mitigation of impacts of its own regional projects on the WestConnect Planning Region, or (ii) the PMC's mitigation treatment set forth above in sub-sections VI.B.11 (a) through (d).

12. Exclusions

The cost for transmission projects undertaken in connection with requests for generator interconnection or transmission service on the Transmission Provider's Transmission System, which are governed by existing cost allocation methods within the Tariff, shall continue to be so governed and shall not be subject to the principles of this Section VI.

As provided in Section 13.5 (Transmission Customer Obligations for Facility Additions and Redispatch Costs), Section 27 (Compensation for New Facilities and Redispatch Costs) and Section 31.2 (New Network Loads Connected with the Transmission Provider) of the Tariff, and the transmission customer's individual service agreement (if applicable), the transmission customer or entity requesting generator interconnection or transmission service shall be responsible for the installed cost of all new load serving interconnections or upgrades to existing load serving interconnections.

VII. Interregional Planning

This Part VII of Attachment K sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order 1000 interregional provisions. WestConnect is to conduct the activities and processes set forth in this Part VII of this part of Attachment K in accordance with the provisions of this Part VII of this part of Attachment K and the other provisions of this Attachment K.

Nothing in this part will preclude any Transmission Owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

Any Interregional Cost Allocation regarding any ITP (as defined herein) is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region.

References in this Part VII to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order 1000.

A. Definitions

The following capitalized terms where used in this Part VII of Attachment K, are defined as follows:

Annual Interregional Coordination Meeting: shall have the meaning set forth in Section VII.C below.

Annual Interregional Information: shall have the meaning set forth in Section VII.B below.

Interregional Cost Allocation: means the assignment of ITP costs between or among Planning Regions as described in Section VII.E.2 below.

Interregional Transmission Project (“ITP”): means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions and that is submitted into the regional transmission planning processes of all such Planning Regions in accordance with Section VII.D.1.

Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language: means this Part VII, which relates to Order No. 1000 interregional provisions.

Planning Region: means each of the following Order No. 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, ColumbiaGrid, Northern Tier Transmission Group, and WestConnect.

Relevant Planning Regions: means, with respect to an ITP, the Planning

Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with Section VII.D.2, at which time it shall no longer be considered a Relevant Planning Region.

B. Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, WestConnect is to make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in WestConnect's transmission planning region and potential solutions thereto:

- (i) study plan or underlying information that would typically be included in a study plan, such as:
 - (a) identification of base cases;
 - (b) planning study assumptions; and
 - (c) study methodologies;
- (ii) initial study reports (or system assessments); and
- (iii) regional transmission plan

(collectively referred to as "Annual Interregional Information").

WestConnect is to post its Annual Interregional Information on its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process WestConnect's Annual Interregional Information. WestConnect may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

WestConnect is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by WestConnect in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if WestConnect reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by WestConnect shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under WestConnect's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by WestConnect shall be "AS IS" and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of

WestConnect, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

C. Annual Interregional Coordination Meeting

WestConnect is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. WestConnect is to host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31st. The Annual Interregional Coordination Meeting is to be open to stakeholders. WestConnect is to provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

- (i) each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);
- (ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently; and
- (iii) updates of the status of ITPs being evaluated or previously included in WestConnect's regional transmission plan.

D. ITP Joint Evaluation Process

1. Submission Requirements

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section VII.D.2 by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31st of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region's regional transmission planning process. In addition to satisfying each Relevant Planning Region's information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

2. Joint Evaluation of an ITP

For each ITP that meets the requirements of Section VII.D.1, WestConnect (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with Section VII.D.1 or the immediately following calendar year. With respect to any such ITP, WestConnect (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

- (i) ITP data and projected ITP costs; and
- (ii) the study assumptions and methodologies it is to use in evaluating the ITP pursuant to its regional transmission planning process.

For each ITP that meets the requirements of Section VII.D.1, WestConnect (if it is a Relevant Planning Region):

- (a) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's evaluation of the ITP;
- (b) is to provide Stakeholders an opportunity to participate in WestConnect's activities under this Section VII.D.2 in accordance with its regional transmission planning process;
- (c) is to notify the other Relevant Planning Regions if WestConnect determines that the ITP will not meet any of its regional transmission needs; thereafter WestConnect has no obligation under this Section VII.D.2 to participate in the joint evaluation of the ITP; and
- (d) is to determine under its regional transmission planning process if such ITP is a more cost effective or efficient solution to one or more of WestConnect's regional transmission needs.

E. Interregional Cost Allocation Process

1. Submission Requirements

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with Section VII.D.1, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost

allocation from WestConnect and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

2. Interregional Cost Allocation Process

For each ITP that meets the requirements of Section VII.E.1, WestConnect (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

- (i) assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;
- (ii) WestConnect's regional benefits stated in dollars resulting from the ITP, if any; and
- (iii) assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to Section VII.F.2 below) to each Relevant Planning Region using the methodology described in this Section VII.E.2.

For each ITP that meets the requirements of Section VII.E.1, WestConnect (if it is a Relevant Planning Region):

- (a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's analysis;
- (b) is to provide Stakeholders an opportunity to participate in WestConnect's activities under this Section VII.E.2 in accordance with its regional transmission planning process;
- (c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in WestConnect, WestConnect is to use its regional cost allocation methodology, as applied to ITPs;
- (d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;

- (e) is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; WestConnect may use such information to identify its total share of the projected costs of the ITP to be assigned to WestConnect in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in WestConnect;
- (f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and
- (g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to this Section VII.E.2 in the same general time frame as its joint evaluation activities pursuant to Section VII.D.2.

F. Application of Regional Cost Allocation Methodology to Selected ITP

1. Selection by All Relevant Planning Regions

If WestConnect (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Section VII.E.2(d) or VII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

2. Selection by at Least Two but Fewer than All Relevant Regions

If WestConnect (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to evaluate (or reevaluate, as the case may be) pursuant to Sections VII.E.2(d), VII.E.2(e), and VII.E.2(f) above whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

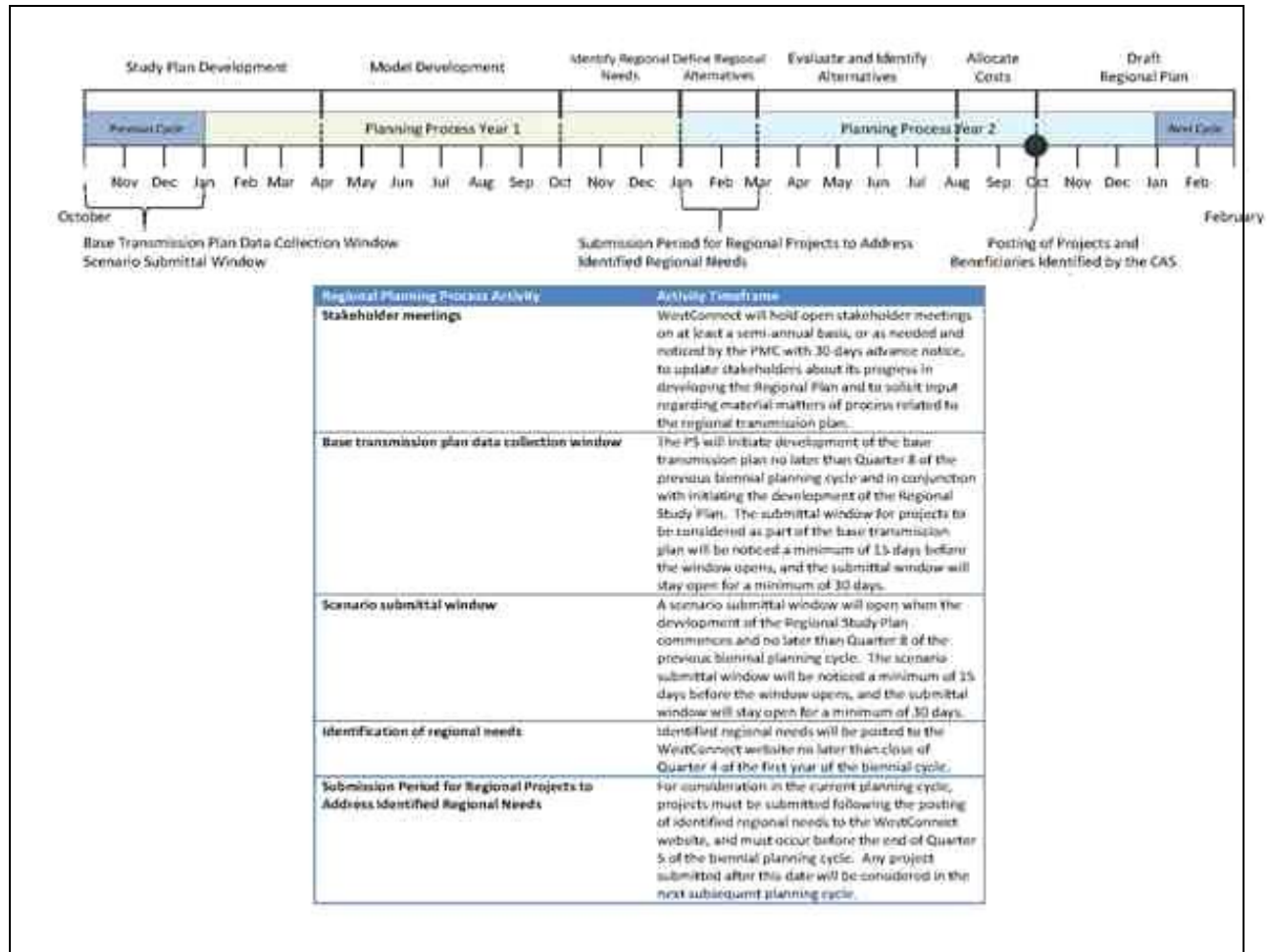
If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of WestConnect and at least one

other Relevant Planning Region, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections VII.E.2(d) or VII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

VIII. Recovery of Planning Costs

Unless the Transmission Provider allocates planning-related costs to an individual Stakeholder as permitted under the Tariff, all costs incurred by the Transmission Provider related to the local transmission planning process, or as part of sub-regional or regional planning process, will be included in the Transmission Provider's transmission rates, as applicable.

Exhibit 1



Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Attachment L, Creditworthiness Procedures, 0.0.0, A
Record Narrative Name:
Tariff Record ID: 64
Tariff Record Collation Value: 7150000 Tariff Record Parent Identifier: 0
Proposed Date: 9998-12-31
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

ATTACHMENT L

Creditworthiness Procedures

Transmission Customer must maintain a credit limit equal to or exceeding the estimated highest 60 day credit exposure. If the unsecured credit limit granted is insufficient, or unsecured credit is denied, the Applicant and/or Transmission Customer must provide collateral/security required by the Transmission Provider in a form and amount satisfactory to the Transmission Provider.

A. Summary of Credit Review Procedures

An initial credit analysis will be performed on all customers desiring to purchase service under the Tariff. The creditworthiness of the Transmission Customer or potential Transmission Customer (collectively, a “Transmission Customer”) must be determined through a fundamental analysis of the Transmission Customer’s financial and operational condition prior to receiving transmission service. Transmission Provider’s Credit Risk Administrator analyzes the financial strength of credit applicants based on both quantitative and qualitative criteria and makes a subsequent decision that is communicated to the Oasis Administrator, which is responsible for administering transmission service under the Tariff. Any Transmission Customer must satisfy the requirements of Transmission Provider’s Creditworthiness Procedures prior to receiving transmission service.

Except as required by regulation or law, applicant credit information is not released to outside third parties.

The credit analysis can include applicant supplied and/or independently obtained data from sources such as annual audited and quarterly financial statements, SEC filings, and Dun & Bradstreet, Standard & Poor’s “S&P”, Moody’s, and Fitch reports.

Examples of the criteria used in the credit review process include, but are not limited to, the following:

Quantitative Criteria:

- a. Financial ratios (capitalization metrics, equity and asset metrics, operating and net margin metrics, tangible net worth metrics, debt and interest coverage metrics, cash flow metrics, etc.)
- b. Financial trends (year to year, quarter to quarter, etc.)
- c. Credit Ratings from S&P, Moody’s or Fitch

Qualitative Criteria:

- a. Power supply portfolio
- b. Rate policy/ ability to set and maintain rates to recover cost
- c. Management reputation
- d. Risk profile of industry classification
- e. Corporate strategy/reputation
- f. Credit risk management capability

- g. Past or present performance under credit or loan agreements
- h. Market indicators such as share price movement, estimated default frequencies, credit spreads and bond spreads
- i. Evaluation of Generation, Purchase and Load Requirements
- j. Quality of earnings
- k. Quality of equity and Tangible Net Worth (TNW)
- l. Quality of assets and geographical diversification or concentration
- m. Adequacy and availability of liquidity
- n. Cash flows and cash requirements
- o. Structure of capital, debt and leverage
- p. Off-Balance sheet debt
- q. Guarantees and other assurances
- r. Commitments and contingencies / legal risk
- s. Trading operations and risk disclosures
- t. Regulatory environment

B. Qualification for Unsecured Credit

Transmission Customers may apply for unsecured credit by completing a Credit Application available on the Transmission Provider's OASIS. Transmission Provider's Credit Risk Administrator will make reasonable efforts to review the Credit Application or request additional information if required within ten (10) business days of receipt. Failure to submit all the required information may result in a delay of the credit review and approval. There are two methods for Transmission Customers to potentially qualify for unsecured credit with Transmission Provider.

To qualify for credit, Transmission Customers must not currently be in payment default to Transmission Provider or another known party and not have been in payment default to Transmission Provider or another known party during the prior 3 years and must undergo a comprehensive creditworthiness evaluation. Both quantitative and qualitative criteria will be evaluated. These Transmission Customers are required to provide the following information:

- i. Three years of audited financial statements including income statement, balance sheet, cash flow statements, and accompanying footnotes (Transmission Customers without three years of audited financial statements should provide the maximum number of years available).

Transmission Customers that apply for unsecured credit will be evaluated in part based on their credit ratings by S&P, Moody's and/or Fitch credit rating agencies.

Alternatively, Transmission Provider will assign an internal credit rating to Transmission Customers based on both quantitative and qualitative criteria, which such rating shall follow the same scale as S&P (e.g. AAA, AA, A, BBB, BB, etc.).

Transmission Customers with Transmission Provider internal Credit Ratings of BBB or higher will qualify for unsecured credit. The unsecured credit limit assigned is defined in the table below. Transmission Customers rated below investment grade will need to provide an acceptable form of credit support security as set forth in Section C below.

<u>Transmission Provider</u>		<u>Credit Limit (in \$Million)</u>	
A to AAA		\$10	
A-		\$7.5	
BBB+		\$5.0	
BBB		\$2.5	
BBB-		\$0	

All Transmission Customers qualifying for unsecured credit will be re-evaluated for creditworthiness at least biannually, or more frequently if the Transmission Provider has commercially reasonable grounds to believe there has been a material adverse change in the Transmission Customer's creditworthiness, and may be required to provide updated financial information to the Transmission Provider's Credit Risk Administrator.

Notwithstanding any other statement in these Creditworthiness Business Procedures, if a Transmission Customer, its affiliate, or Credit Provider is in default of a payment obligation with Transmission Provider or another known party, Transmission Provider may, without notice to Transmission Customer, set the Transmission Customer's unsecured credit limit at \$0.

C. List of Acceptable Forms of Credit Support Security

Acceptable Credit Support Security could include one or a combination of the following, at Transmission Provider's discretion:

- a. Parental guaranty, in a form acceptable to Transmission Provider, from an entity meeting the criteria above
- b. Unconditional and irrevocable letter of credit, in a form acceptable to Transmission Provider, from an issuer satisfying the following requirements:

- i. Issuer must be a U.S. commercial bank or a licensed U.S. branch of a foreign bank;
 - ii. Issuer must maintain an unsecured or issuer rating equivalent to A- or better as determined by at least two (2) rating agencies, one of which must be either Standard & Poor's or Moody's; and
 - iii. Issuer must have total asset value of at least thirty billion dollars (\$30,000,000,000.00)
- c. Prepayment arrangement
- d. Other form of credit support security acceptable to Transmission Provider

To the extent any of the credit support security expires prior to the transmission service agreement expiration date, the credit support security is required to be extended (with proof provided to Transmission Provider) not less than thirty (30) days prior to that expiration date of the credit support security for a period of at least three hundred and sixty (360) days. If a Transmission Customer fails to maintain or renew a letter of credit, Transmission Provider shall have the right to draw upon the entire undrawn portion of the letter of credit, without notice, and hold such cash as security. If the credit support security currently being used by a Transmission Customer is determined to no longer be considered acceptable after an annual or periodic credit review process, Transmission Provider will notify the Transmission Customer, who will be required to provide another form of credit support security within ten (10) days. The failure to maintain, renew, or provide substitute or additional credit support security when required will be considered a material breach of the transmission service agreement, may result in the forfeiture of any deposits made under the transmission service agreement.

If a Transmission Customer qualifies for credit based on the credit standing of a guarantor, letter of credit provider, or other form of credit support security with an explicit dollar limit set forth in such document, the credit limit assigned to the Transmission Customer will be limited by the dollar limit in credit support security provided, but not surpassing the dollar limits stated in Section B above.

All costs associated with meeting Transmission Provider's credit risk requirements, including any costs of obtaining and posting credit support security, are the responsibility of the Transmission Customer.

D. Notification of Changes in Creditworthiness or Payment Status and Ability to Post Additional Credit Support Security

If Transmission Provider determines there is a downgrade in the creditworthiness of a Transmission Customer or a Transmission Customer's guarantor, or in the event that a

Transmission Customer is determined to be in Default Payment Status (defaults during the term of a transmission service agreement, or permanently defaults on a transmission service agreement), Transmission Provider will notify the Transmission Customer in writing. Such notification will include an explanation of the downgrade and new or additional credit support security requirements. Should Transmission Provider require the Transmission Customer to post new or additional credit support security, the Transmission Customer must post credit support security in an amount determined by Transmission Provider within five (5) business days of receipt of a written notification from Transmission Provider of a change in the creditworthiness of the Transmission Customer or Transmission Customer's guarantor. If the Transmission Customer is determined to be in Default Payment Status, Transmission Provider will require additional credit support security to be provided for the remaining term of the transmission service agreement. This security also will apply to any guarantor or affiliate of the Transmission Customer, and to any successor or assignee of the Transmission Customer's transmission service agreement. Additionally, if the Transmission Customer is determined to be in default in accordance with the provisions of Transmission Provider's Tariff, Transmission Provider reserves the right to take any and all actions provided for under its Tariff.

E. Contesting Credit Determinations

The Transmission Customer has the opportunity to contest Transmission Provider's determination of Transmission Customer's creditworthiness or credit support security requirements in accordance with the dispute resolution procedure outlined within the Tariff. The Transmission Customer must still provide any required credit security support requirements, within the indicated time periods, as stated in the Tariff, while the review and response is in process.

F. Transmission Customer Default

If a Transmission Customer defaults in the performance of its obligations under the Tariff, Transmission Provider shall have the unconditional right to: (a) off-set all of the Transmission Customer's obligations under the Tariff against any credit support security held by Transmission Provider to secure the Transmission Customer's obligations; and (b) withhold payment of any obligation owed by Transmission Provider to the Transmission Customer regardless of how such obligation shall have arisen. Transmission Provider's right to withhold payment shall extend up to, and include, an amount equal to the sum of all obligations owed by Transmission Customer to Transmission Provider under any transmission service agreements and shall include the unconditional right to off-set such amount owed to the Transmission Customer against any obligation(s) due from the Transmission Customer to Transmission Provider. Transmission Provider shall provide the Transmission Customer with written notification of any off-set pursuant to this paragraph.

If a Transmission Customer that is party to a transmission service agreement fails to provide any credit support security as set forth herein, including fails to maintain, renew, or provide substitute or additional credit support security when required, Transmission Provider may refuse, without notice, to accept that Transmission Customer's transmission service schedule(s) or transmission service reservation(s) on Transmission Provider's OASIS until such time as that Transmission Customer provides Transmission Provider with credit support security that satisfies the requirements of this Attachment L and is otherwise acceptable to Transmission Provider.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Attachment M, Loss Factors, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 65

Tariff Record Collation Value: 7250000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

ATTACHMENT M

Loss Factors

Real Power Losses shall be assessed as follows:

1. If, based on operating experience and technical studies, the Transmission Provider determines that any of the transmission loss factors on the Transmission Provider's Transmission System differs from the loss factors set forth in this Attachment, the Transmission Provider may revise charges or losses for Transmission Service provided upon written notice to the Transmission Customer.
2. For Long-Term Firm Point-To-Point Transmission Service, Transmission Provider transmission losses shall initially be 4.5% and shall be assessed on the power scheduled and transmitted to a point of delivery on the Transmission Provider's Transmission System.
3. For Non-Firm Point-To-Point Transmission Service, Transmission Provider transmission losses shall initially be 4.5% and shall be assessed on the power scheduled and transmitted to a point of delivery on the Transmission Provider's Transmission System.

4. For deliveries to Network Customer Network Load, Transmission Provider transmission losses shall initially be 4.5% and shall be assessed on the power scheduled and transmitted to a point of delivery on the Transmission Provider's Transmission System.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Attachment N, Application Processing Fee, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 66

Tariff Record Collation Value: 7350000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

ATTACHMENT N

Application Processing Fee

The application processing fee is \$3,500.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Attachment O, Large Generator Interconnection Procedures, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 67

Tariff Record Collation Value: 7450000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

ATTACHMENT O

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(Applicable to Generating Facilities that exceed 20 MW)TABLE OF CONTENTS

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Appendix 7 – Interconnection Procedures for a Wind Generating Plant

Section 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity. A cooperative's members are not considered Affiliates for purposes of this Tariff.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the Regional Entity, as defined by Section 215 of the Federal Power Act, applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades, and/or planned Interconnection Facilities and Network Upgrades not yet in service upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for Re-Studies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing. Contingent Facilities are identified in Appendix A of the Standard Large Generator Interconnection Agreement.

Control Area shall mean an electrical system or systems bounded by

interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by NERC.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System

restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes

multiple energy production devices.

Generator Interconnection Agreement (GIA) shall mean Transmission Provider's Generator Interconnection Agreement prior to the effective date of the Standard Large Generator Interconnection Agreement (LGIA).

Generator Interconnection Procedures (GIP) shall mean Transmission Provider's Generator Interconnection Procedures prior to the effective date of the Standard Large Generator Interconnection Procedures (LGIP).

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement

contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the

Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Corporation or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission

Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Permissible Technological Advancement shall mean a technological advancement to the proposed Generating Facility that does not increase the Interconnection Customer's requested Interconnection Service level, materially impact the Transmission System's short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response, or trigger the Material Modification

provisions in the LGIP. A Permissible Technological Advancement cannot degrade the electrical characteristics of the generating equipment (e.g., the ratings, impedances, efficiencies, capabilities, and performance of the equipment under steady-state and dynamic conditions). A Permissible Technological Advancement may include a technological advancement to turbines, inverters, plant supervisory controls, or other technological advancement that may affect the Generating Facility's ability to provide ancillary services. A Permissible Technological Advancement does not include changes in generation project size or fuel type.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid Interconnection Request, or Surplus Interconnection Request as applicable, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement,

efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a

Large Generating Facility that are included in the Transmission Provider's Tariff.

Surplus Generating Facility shall mean Surplus Interconnection Customer's device for the production and/or storage for later injection of electricity identified in a Surplus Interconnection Service Request, but shall not include Surplus Interconnection Customer's Interconnection Facilities.

Surplus Interconnection Customer shall mean an entity that proposes to interconnect its Generating Facility to utilize any unneeded portion of Interconnection Service, such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

Surplus Interconnection Service Impact Study shall mean an engineering study that evaluates the impact of the proposed Surplus Interconnection Service and Surplus Generating Facility on the safety and reliability of the Transmission System and, if applicable, any Affected Systems.

Surplus Interconnection Service Impact Study Agreement shall mean the form of agreement contained in Appendix 3A of the Standard Large Generator Interconnection Procedures for conducting the Surplus Interconnection Service Impact Study.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Section 2. Scope and Application

2.1 Application of Standard Large Generator Interconnection Procedures.

Sections 2 through 13 apply to processing an Interconnection Request pertaining to a Large Generating Facility.

2.2 Comparability.

Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this LGIP.

Transmission Provider will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Generating Facilities are owned by Transmission Provider, its subsidiaries or Affiliates or others.

2.3Base Case Data.

Transmission Provider shall maintain base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list on either its OASIS site or a password-protected website, subject to confidentiality provisions in LGIP Section 13.1. In addition, Transmission Provider shall maintain network models and underlying assumptions on either its OASIS site or a password-protected website. Such network models and underlying assumptions should reasonably represent those used during the most recent interconnection study and be representative of current system conditions. If Transmission Provider posts this information on a password-protected website, a link to the information must be provided on Transmission Provider's OASIS site. Transmission Provider is permitted to require that Interconnection Customers, OASIS site users and password-protected website users sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (1) generation projects and (2) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4No Applicability to Transmission Service.

Nothing in this LGIP shall constitute a request for transmission service or confer upon an Interconnection Customer any right to receive transmission service.

Section 3. Interconnection Requests

3.1General.

An Interconnection Customer shall submit to the Transmission Provider an

Interconnection Request in the form of Appendix 1 to this LGIP and a refundable deposit of \$10,000. The Transmission Provider shall apply the deposit toward the cost of an Interconnection Feasibility Study. Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

At Interconnection Customer's option, Transmission Provider and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at the Scoping Meeting to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point(s) of Interconnection to be studied no later than the execution of the Interconnection Feasibility Study Agreement.

Transmission Provider shall have a process in place to consider requests for Interconnection Service below the Generating Facility Capacity. These requests for Interconnection Service shall be studied at the level of Interconnection Service requested for purposes of Interconnection Facilities, Network Upgrades, and associated costs, but may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by the Interconnection Customer. If after the additional studies are complete, Transmission Provider determines that additional Network Upgrades are necessary, then Transmission Provider must: (1) specify which additional Network Upgrade costs are based on which studies; and (2) provide a detailed explanation of why the additional Network Upgrades are necessary. Any Interconnection Facility and/or Network Upgrade costs required for safety and reliability also will be borne by the Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of the executed,

or requested to be filed unexecuted, LGIA.

3.2 Identification of Types of Interconnection Services.

At the time the Interconnection Request is submitted, Interconnection Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service, as described; provided, however, any Interconnection Customer requesting Network Resource Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service, up to the point when an Interconnection Facility Study Agreement is executed. Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower level of interconnection service to the extent that only certain upgrades will be completed.

3.2.1 Energy Resource Interconnection Service.

3.2.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. Energy Resource Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or Point of Delivery.

3.2.1.2 The Study. The study consists of short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The short circuit/fault duty analysis would identify direct Interconnection Facilities required and the Network Upgrades necessary to address short circuit issues associated with the Interconnection Facilities. The stability and steady state studies would identify necessary upgrades to allow full output of the proposed Large Generating Facility and would also

identify the maximum allowed output, at the time the study is performed, of the interconnecting Large Generating Facility without requiring additional Network Upgrades.

3.2.2 Network Resource Interconnection Service.

3.2.2.1 The Product. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur.

3.2.2.2 The Study. The Interconnection Study for Network Resource Interconnection Service shall assure that Interconnection Customer's Large Generating Facility meets the requirements for Network Resource Interconnection Service and as a general matter, that such Large Generating Facility's interconnection is also studied with Transmission Provider's Transmission System at peak load, under a variety of severely stressed conditions, to determine whether, with the Large Generating Facility at full output, the aggregate of generation in the local area can be delivered to the aggregate of load on Transmission Provider's Transmission System, consistent with

Transmission Provider's reliability criteria and procedures. This approach assumes that some portion of existing Network Resources are displaced by the output of Interconnection Customer's Large Generating Facility. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.3 Utilization of Surplus Interconnection Service.

An Interconnection Customer with an effective GIA or LGIA may make Surplus Interconnection Service available at the existing Point of Interconnection for its Large Generating Facility using the process outlined in this Section 3.3. The Interconnection Customer with an effective GIA or LGIA or one of its Affiliates shall have priority to utilize Surplus Interconnection Service. If an Interconnection Customer with an effective GIA or LGIA or one of its Affiliates does not exercise its priority, then an Interconnection Customer with an effective GIA or LGIA may make the service available to other potential Interconnection Customers.

3.3.1 Initiating a Request for Surplus Interconnection Service.

3.3.1.1 If an Interconnection Customer with an effective GIA or LGIA wants to make Surplus Interconnection Service available, it shall submit a "Notice of Available Surplus Interconnection Service" in the form of Appendix 1A to the LGIP to the Transmission Provider.

3.3.1.2 A Surplus Interconnection Customer shall submit to Transmission Provider a request for Surplus

Interconnection Service (“Surplus Interconnection Service Request”) in the form of Appendix 1B to the LGIP. The Surplus Interconnection Customer shall also submit to the Transmission Provider a refundable deposit of \$10,000. The Transmission Provider shall apply the deposit toward the cost of the Surplus Interconnection Service Impact Study.

3.3.1.3 The Transmission Provider may request any additional information necessary to evaluate the Surplus Interconnection Service Request.

3.3.2 Acknowledgement of Surplus Interconnection Service Request.

Transmission Provider shall acknowledge receipt of the Surplus Interconnection Service Request within five (5) Business Days of receipt of the Surplus Interconnection Service Request.

3.3.3 Deficiencies in Surplus Interconnection Service Request.

A Surplus Interconnection Service Request will not be considered to be a valid request until all items in Section 3.3.1 have been received by the Transmission Provider. If a Surplus Interconnection Service Request fails to meet the requirements set forth in Section 3.3.1, Transmission Provider shall notify the Surplus Interconnection Customer within five (5) Business Days of receipt of the deficient Surplus Interconnection Service Request and identify the reasons for such deficiency. The Surplus Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice. Failure by the Surplus Interconnection Customer to comply with this Section 3.3.3 or any of the other requirements of this LGIP will result in a withdrawal of the Surplus Interconnection Service Request upon which Transmission Provider shall (i), if applicable, update the OASIS Surplus Interconnection Service Queue Position posting and (ii) refund Surplus Interconnection Customer’s deposit, including interest calculated in accordance with section 35.19a(a)(2) of FERC’s regulations.

3.3.4 Surplus Interconnection Service Queue.

Upon receipt of a valid Surplus Interconnection Service Request, the Transmission Provider shall assign a Surplus Interconnection Service Queue Position based upon the date and time of receipt of the request. The Surplus Interconnection Service Queue Position will be used to determine the order of performing the Surplus Interconnection Service Impact Study. A higher queued Surplus Interconnection Service Request is one that has been placed “earlier” in the queue in relation to another Surplus Interconnection Service Request that is lower queued.

3.3.5 Surplus Interconnection Service Study and Study Agreement.

3.3.5.1 Surplus Interconnection Service Impact Study Agreement.

Within five (5) Business Days following the receipt of a valid Surplus Interconnection Service Request, Transmission Provider shall provide to the Surplus Interconnection Customer a non-binding good faith estimate of the cost for completing the Surplus Interconnection Service Impact Study and tender a Surplus Interconnection Service Impact Study Agreement. The Surplus Interconnection Customer shall compensate Transmission Provider for the actual cost of the Surplus Interconnection Service Impact Study and Transmission Provider will draw on Surplus Interconnection Customer’s deposit to perform the study. The Surplus Interconnection Customer shall deliver the executed Surplus Interconnection Service Impact Study Agreement to Transmission Provider together with the required technical data and any additional study deposit required no later than thirty (30) Calendar Days after its receipt. In the event that the deposit is not sufficient to cover the costs, Transmission Provider shall notify the Surplus Interconnection Customer of the estimated balance to

complete the study. Surplus Interconnection Customer shall submit payment no later than ten (10) Business Days after receipt of invoice or written notice. After completion of the Surplus Interconnection System Impact Study any remaining deposit shall be refunded to Interconnection Customer with interest paid in accordance with Section 3.3.3.

3.3.5.2 Surplus Interconnection Service Impact Study.

3.3.5.2.1 Transmission Provider shall coordinate the Surplus Interconnection Service Impact Study with any Affected System that is affected by the Surplus Interconnection Request pursuant to Section 3.6.

3.3.5.2.2 The Surplus Interconnection Service Impact Study shall consist of reactive power, short circuit, stability analyses, and any other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. If the existing Interconnection Service was not studied under off-peak conditions, then off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original system impact study is not available for the Surplus Interconnection Service Impact Study or no longer valid, both off-peak and peak analysis may need to be performed for the existing Large Generating Facility associated with the

request for Surplus Interconnection Service. The reactive power, short circuit, stability, and steady-state analyses for Surplus Interconnection Service will identify if any Network Upgrades are necessary. If any Network Upgrades are identified, Surplus Interconnection Service will not be granted and will result in a withdrawal of the Surplus Interconnection Service Request. If modifications to the Transmission Provider's Interconnection Facilities are required to support the Surplus Interconnection Service Request, the Transmission Provider will use Reasonable Efforts to determine the scope of those modifications as well as preliminary, non-binding, good faith cost estimates.

The Transmission Provider will use Reasonable Efforts to complete the Surplus Interconnection Service Impact Study for a Surplus Interconnection Service Request and provide a draft Surplus Interconnection Service Impact Study to the Surplus Interconnection Customer within sixty (60) Calendar Days of Transmission Provider's execution of the Surplus Interconnection Service Impact Study Agreement. If Transmission Provider is unable to complete the Surplus Interconnection Service Impact Study and draft report within the time period, it shall notify the Surplus Interconnection Customer and

provide an estimated completion date with an explanation of the reasons why additional time is required.

Within ten (10) Business Days of providing a draft Surplus Interconnection Service Impact Study report to the Surplus Interconnection Customer, Transmission Provider shall schedule a meeting with the Surplus Interconnection Customer at a mutually agreeable date to discuss the results of the draft Surplus Interconnection Service Impact Study. Within thirty (30) Calendar Days after this meeting, Transmission Provider shall tender the final Surplus Interconnection Service Impact Study report to the Surplus Interconnection Customer.

3.3.6 Surplus Interconnection Service Generator Interconnection Agreement (SISGIA)

3.3.6.1 Tender

Simultaneously with the delivery of the final Surplus Interconnection Service Impact Study report, Transmission Provider shall tender to the Surplus Interconnection Customer a draft SISGIA, together with draft appendices. Surplus Interconnection Customer shall complete the parts of the appendices identified by the Transmission Provider and return the completed draft appendices within thirty (30) Calendar Days.

3.3.6.2 Negotiation

Transmission Provider and the Surplus Interconnection Customer shall negotiate any disputed provisions of

the appendices to the draft SISGIA for not more than sixty (60) Calendar Days after tender of the final Surplus Interconnection Service Impact Study report. Upon completion of negotiations, Transmission Provider shall tender a final SISGIA to Surplus Interconnection Customer. If Surplus Interconnection Customer determines that negotiations are at an impasse, it may pursue Dispute Resolution in accordance with Section 13.5.

3.3.6.3 Execution

Within fifteen (15) Business Days after receipt of the final SISGIA and appendices, Surplus Interconnection Customer and the original Interconnection Customer shall sign the SISGIA and return it to Transmission Provider along with security in the form of a deposit or Letter of Credit equal to the cost of the proposed Transmission Provider's Interconnection Facilities, if any, identified in the Surplus Interconnection Service Impact Study report. It is the responsibility of the Surplus Interconnection Customer to coordinate with and obtain the signature for the SISGIA of the original Interconnection Customer to the effective GIA or LGIA that made the Surplus Interconnection Service available.

3.3.6.4 Commencement of Interconnection Activities.

Upon execution of the final SISGIA by Transmission Provider, Transmission Provider, the original Interconnection Customer, and Surplus Interconnection Customer shall perform their respective obligations in accordance with the terms of the SISGIA.

3.3.7 Limitations to Surplus Interconnection Service.

3.3.7.1 An Interconnection Customer with an effective GIA or

LGIA may use or transfer any Surplus Interconnection Service until the Large Generating Facility that is the subject of the GIA or LGIA permanently ceases commercial operations. Accordingly, a SISGIA automatically terminates simultaneously with the termination of the original GIA or LGIA from which the Surplus Interconnection Service originates, unless each of these conditions are satisfied:

3.3.7.1.1 The Surplus Generating Facility must have been studied by the Transmission Provider for sole operation at the Point of Interconnection at the time of the interconnection of the Surplus Interconnection Customer.

3.3.7.1.2 The Interconnection Customer with the original GIA or LGIA must have agreed in the SISGIA that the Surplus Interconnection Customer may continue to operate at either its limited share of the original LGIA, as reflected in the Surplus Interconnection Service Agreement, or at any level below such limit upon the permanent cessation of commercial operations of the original Large Generating Facility.

Such continuation of Surplus Interconnection Service shall be limited to no more than one year after the date of permanent cessation of commercial operation of the original Large Generating Facility.

3.3.7.2 If the original GIA or LGIA is for Network Resource Interconnection Service, then any Surplus

Interconnection Service associated with that GIA or LGIA at the same Point of Interconnection can be either for a Network Resource Interconnection Service or Energy Resource Interconnection Service. In contrast, if the original GIA or LGIA is for Energy Resource Interconnection Service, then any Surplus Interconnection Service associated with that GIA or LGIA at the same Point of Interconnection would also have to be for Energy Resource Interconnection Service.

3.4 Valid Interconnection Request.

3.4.1 Initiating an Interconnection Request.

To initiate an Interconnection Request, Interconnection Customer must submit all of the following: (i) a \$10,000 deposit, (ii) a completed application in the form of Appendix 1, and (iii) demonstration of Site Control or a posting of an additional deposit of \$10,000. Such deposits shall be applied toward any Interconnection Studies pursuant to the Interconnection Request. If Interconnection Customer demonstrates Site Control within the cure period specified in Section 3.4.3 after submitting its Interconnection Request, the additional deposit shall be refundable; otherwise, all such deposit(s), additional and initial, become non-refundable.

The expected In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no more than the process window for the regional expansion planning period (or in the absence of a regional planning process, the process window for Transmission Provider's expansion planning period) not to exceed seven years from the date the Interconnection Request is received by Transmission Provider, unless Interconnection Customer demonstrates that engineering, permitting and construction of the new Large Generating Facility or increase in capacity of the existing Generating Facility will take longer than the regional expansion planning period. The In-Service Date may succeed the date the Interconnection Request is received by Transmission Provider by a

period up to ten years, or longer where Interconnection Customer and Transmission Provider agree, such agreement not to be unreasonably withheld.

3.4.2 Acknowledgment of Interconnection Request.

Transmission Provider shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.

3.4.3 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid request until all items in Section 3.4.1 have been received by Transmission Provider. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.1, Transmission Provider shall notify Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice. Failure by Interconnection Customer to comply with this Section 3.4.3 shall be treated in accordance with Section 3.7.

3.4.4 Scoping Meeting.

Within ten (10) Business Days after receipt of a valid Interconnection Request, Transmission Provider shall establish a date agreeable to Interconnection Customer for the Scoping Meeting, and such date shall be no later than thirty (30) Calendar Days from receipt of the valid Interconnection Request, unless otherwise mutually agreed upon by the Parties.

The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to

determine the potential feasible Points of Interconnection. Transmission Provider and Interconnection Customer will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. Transmission Provider and Interconnection Customer will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer shall designate its Point of Interconnection, pursuant to Section 6.1, and one or more available alternative Point(s) of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

3.5. OASIS Posting.

3.5.1

Transmission Provider will maintain on its OASIS a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected In-Service Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the type of Interconnection Service being requested; and (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an LGIA or requests that the Transmission Provider file an unexecuted LGIA with FERC. Before holding a Scoping Meeting with its Affiliate, Transmission Provider

shall post on OASIS an advance notice of its intent to do so. Transmission Provider shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to Transmission Provider's OASIS site subsequent to the meeting between Interconnection Customer and Transmission Provider to discuss the applicable study results. Transmission Provider shall also post any known deviations in the Large Generating Facility's In-Service Date.

3.5.2 Requirement to Post Interconnection Study Metrics

Transmission Provider will maintain on its OASIS or its website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. If Transmission Provider posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. For each calendar quarter, Transmission Providers must calculate and post the information detailed in sections 3.5.2.1 through 3.5.2.4.

3.5.2.1 Interconnection Feasibility Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Feasibility Studies completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Feasibility Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than forty-five (45) Calendar Days after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection Feasibility Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Interconnection Feasibility Studies where

such Interconnection Requests had executed Interconnection Feasibility Study Agreements received by Transmission Provider more than forty-five (45) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Interconnection Feasibility Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the date when Transmission Provider received the executed Interconnection Feasibility Study Agreement to the date when Transmission Provider provided the completed Interconnection Feasibility Study to the Interconnection Customer,

(E) Percentage of Interconnection Feasibility Studies exceeding forty-five (45) Calendar Days to complete this reporting quarter, calculated as the sum of 3.5.2.1(B) plus 3.5.2.1(C) divided by the sum of 3.5.2.1(A) plus 3.5.2.1(C)).

3.5.2.2 Interconnection System Impact Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than ninety (90) Calendar Days after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection System Impact Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Interconnection System Impact Studies where such Interconnection Requests had executed Interconnection System Impact Study Agreements received by Transmission Provider more than ninety (90) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the date when Transmission Provider received the executed Interconnection System Impact Study Agreement to the date when Transmission Provider provided the completed Interconnection System Impact Study to the Interconnection Customer,

(E) Percentage of Interconnection System Impact Studies exceeding ninety (90) Calendar Days to complete this reporting quarter, calculated as the sum of 3.5.2.2(B) plus 3.5.2.2(C) divided by the sum of 3.5.2.2(A) plus 3.5.2.2(C)).

3.5.2.3 Interconnection Facilities Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than ninety (90) Calendar Days or one hundred eight (180) Calendar Days, as applicable, after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection Facilities Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Service requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by Transmission Provider more than ninety (90) or one hundred eighty (180) Calendar Days, as applicable, before the reporting quarter end.

(D) Mean time (in days), for Interconnection Facilities Studies completed within Transmission Provider's coordinated region during the reporting quarter,

calculated from the date when Transmission Provider received the executed Interconnection Facilities Study Agreement to the date when Transmission Provider provided the completed Interconnection Facilities Study to the Interconnection Customer,

(E) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of 3.5.2.3(B) plus 3.5.2.3(C) divided by the sum of 3.5.2.3(A) plus 3.5.2.3(C)).

3.5.2.4 Interconnection Service Requests Withdrawn from Interconnection Queue.

(A) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter,

(B) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of any interconnection studies or execution of any interconnection study agreements,

(C) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of an Interconnection System Impact Study,

(D) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of an Interconnection Facilities Study,

(E) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue after execution of a generator interconnection agreement or Interconnection Customer requests the filing of an unexecuted, new interconnection agreement,

(F) Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when

Transmission Provider received the request to withdraw from the queue.

3.5.3

Transmission Provider is required to post on OASIS or its website the measures in paragraph 3.5.2.1(A) through paragraph 3.5.2.4(F) for each calendar quarter within 30 days of the end of the calendar quarter. Transmission Provider will keep the quarterly measures posted on OASIS or its website for three calendar years with the first required report to be in the first quarter of 2020. If Transmission Provider retains this information on its website, a link to the information must be provided on Transmission Provider's OASIS site.

3.5.4

In the event that any of the values calculated in paragraphs 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeds 25 percent for two consecutive calendar quarters, Transmission Provider will have to comply with the measures below for the next four consecutive calendar quarters and must continue reporting this information until Transmission Provider reports four consecutive calendar quarters without the values calculated in 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeding 25 percent for two consecutive calendar quarters:

(i) Transmission Provider must submit a report to the Commission describing the reason for each study or group of clustered studies pursuant to an Interconnection Request that exceeded its deadline (i.e., 45, 90 or 180 days) for completion (excluding any allowance for Reasonable Efforts). Transmission Provider must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The report must be filed at the Commission within 45 days of the end of the calendar quarter.

(ii) Transmission Provider shall aggregate the total number of employee-hours and third party consultant hours expended towards interconnection studies within its coordinated region that quarter and post on OASIS or its website. If Transmission Provider posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. This information is to be posted within 30 days of the end of the calendar quarter.

3.6 Coordination with Affected Systems.

Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this LGIP. Transmission Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this LGIP. Interconnection Customer will cooperate with the Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

3.7 Withdrawal.

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Transmission Provider. In addition, if Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 13.5 (Disputes), Transmission Provider shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cures the deficiency or to notify Transmission Provider of its intent to pursue Dispute Resolution.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, Interconnection Customer's Interconnection Request is eliminated from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to Transmission Provider all costs that Transmission Provider prudently incurs with respect to that Interconnection Request prior to Transmission Provider's receipt of notice described above. Interconnection Customer must pay all monies due to Transmission Provider before it is allowed to obtain any Interconnection Study data or results.

Transmission Provider shall (i) update the OASIS Queue Position posting and (ii) refund to Interconnection Customer any portion of Interconnection Customer's deposit or study payments that exceeds the costs that

Transmission Provider has incurred, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 13.1, shall provide, at Interconnection Customer's request, all information that Transmission Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.8 Identification of Contingent Facilities.

Transmission Provider shall identify the Contingent Facilities, pursuant to Section 3.8.1, to be provided to Interconnection Customer at the conclusion of the Interconnection System Impact Study and included in Interconnection Customer's LGIA. Transmission Provider shall also provide, upon request of the Interconnection Customer, the estimated cost and estimated in-service completion time of each identified Contingent Facility, and any associated costs to the Interconnection Customer, when this information is readily available and not commercially sensitive.

3.8.1 Method for Identifying Contingent Facilities

Transmission Provider shall identify Contingent Facilities by examining the unbuilt interconnection facilities, network upgrades, and/or planned upgrades not yet in-service based on the following criteria:

- i. the unbuilt facility is necessary to make the Transmission Provider or any Affected System compliant with its planning criteria when the Interconnection Request's Large Generating Facility commences Trial Operation; and
- ii. the unbuilt facility has demonstrated a likelihood of construction with a planned in-service date prior to or that generally aligns with the Interconnection Request's Large Generating Facility's proposed In-Service Date; and
- iii. Transmission Provider will use engineering judgment based on Good Utility Practice to determine which facilities should be Contingent Facilities.

The total of all the facilities that satisfy each of the foregoing

criteria shall be identified as Contingent Facilities and included in the Interconnection Customer's LGIA.

Section 4. Queue Position

4.1 General.

Transmission Provider shall assign a Queue Position based upon the date and time of receipt of the valid Interconnection Request; provided that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form, and Interconnection Customer provides such information in accordance with Section 3.4.3, then Transmission Provider shall assign Interconnection Customer a Queue Position based on the date the application form was originally filed. Moving a Point of Interconnection shall result in a lowering of Queue Position if it is deemed a Material Modification under Section 4.4.3.

The Queue Position of each Interconnection Request will be used to determine the order of performing the Interconnection Studies and determination of cost responsibility for the facilities necessary to accommodate the Interconnection Request. A higher queued Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is lower queued.

Transmission Provider may allocate the cost of the common upgrades for clustered Interconnection Requests without regard to Queue Position.

4.2 Clustering.

At Transmission Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the Interconnection System Impact Study.

Clustering shall be implemented on the basis of Queue Position. If Transmission Provider elects to study Interconnection Requests using Clustering, all Interconnection Requests received within a period not to exceed one hundred and eighty (180) Calendar Days, hereinafter referred to as the "Queue Cluster Window" shall be studied together without regard to

the nature of the underlying Interconnection Service, whether Energy Resource Interconnection Service or Network Resource Interconnection Service. The deadline for completing all Interconnection System Impact Studies for which an Interconnection System Impact Study Agreement has been executed during a Queue Cluster Window shall be in accordance with Section 7.4, for all Interconnection Requests assigned to the same Queue Cluster Window. Transmission Provider may study an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility.

Clustering Interconnection System Impact Studies shall be conducted in such a manner to ensure the efficient implementation of the applicable regional transmission expansion plan in light of the Transmission System's capabilities at the time of each study.

The Queue Cluster Window shall have a fixed time interval based on fixed annual opening and closing dates. Any changes to the established Queue Cluster Window interval and opening or closing dates shall be announced with a posting on Transmission Provider's OASIS beginning at least one hundred and eighty (180) Calendar Days in advance of the change and continuing thereafter through the end date of the first Queue Cluster Window that is to be modified.

4.3 Transferability of Queue Position.

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change.

4.4 Modifications.

Interconnection Customer shall submit to Transmission Provider, in writing, modifications to any information provided in the Interconnection Request. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, 4.4.2 or 4.4.5, or are determined not to be Material Modifications pursuant to Section 4.4.3.

Notwithstanding the above, during the course of the Interconnection

Studies, either Interconnection Customer or Transmission Provider may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to Transmission Provider and Interconnection Customer, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Section 6.4, Section 7.6 and Section 8.5 as applicable and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to the return of the executed Interconnection System Impact Study Agreement to Transmission Provider, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed project, through either (1) a decrease in plant size or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying Transmission Provider-approved injection-limiting equipment; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration.

For plant increases, the incremental increase in plant output will go to the end of the queue for the purposes of cost allocation and study analysis.

4.4.2 Prior to the return of the executed Interconnection Facility Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: (a) additional 15 percent decrease of electrical output (MW) of the proposed project through either (1) a decrease in plant size (MW) or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying Transmission

Provider-approved injection-limiting equipment; (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer; and (c) a Permissible Technological Advancement for the Large Generating Facility after the submission of the Interconnection Request. Section 4.4.6 specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether the Interconnection Customer's proposed technological advancement under Section 4.4.2(c) is a Material Modification. Section 1 contains a definition of Permissible Technological Advancement.

4.4.3 Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.5, Interconnection Customer may first request that Transmission Provider evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, Transmission Provider shall evaluate the proposed modifications prior to making them and inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under Sections 4.4.1, 6.1, 7.2, or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

4.4.4 Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4, the Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but in no event shall the Transmission Provider commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at

Interconnection Customer's cost.

- 4.4.5** Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing.

4.4.6 Technological Change Procedures

An Interconnection Customer that seeks to incorporate a proposed technological advancement into its Generating Facility must submit a Technological Advancement Request, in the form of Attachment B to Appendix 1 of this LGIP, to the Transmission Provider prior to the return of a signed Interconnection Facilities Study Agreement to the Transmission Provider. The Technological Advancement Request must include a description of the proposed technological advancement and provide all details, model data, and analysis necessary to demonstrate to the Transmission Provider that the proposed technological advancement results in electrical performance that is equal to or better than the electrical performance expected prior to the technological change and it is a Permissible Technological Advancement. The Interconnection Customer must also submit updates to the original Generating Facility Data included in the Interconnection Request that reflect the proposed technological advancement. In assessing such a request, the Transmission Provider must determine whether or not the proposed technological advancement is a Material Modification.

If Transmission Provider determines additional studies are necessary for the Transmission Provider to complete the necessary assessment of whether the proposed technological advancement results in equal or better electrical performance and is a Permissible Technological Advancement, Transmission Provider will notify Interconnection Customer and indicate what information the Interconnection Customer must provide for the additional studies. The Interconnection Customer will be responsible for any costs associated with any additional studies.

As a practical matter, the Transmission Provider's assessment of whether a proposed technological advancement is a Permissible Technological Advancement or is a Material Modification will likely add to the time needed to complete the original Interconnection System Impact Study or any necessary re-study. The Transmission Provider will use Reasonable Efforts to complete its assessment and any additional studies as soon as practicable, but no later than forty-five (45) Calendar Days after the Interconnection Customer submits a Technological Advancement Request to the Transmission Provider. Transmission Provider will notify the Interconnection Customer of the results of its assessment and any studies and, if determined to be a Material Modification, explain why the proposed technological advancement is a Material Modification.

Section 5. Procedures for Interconnection Requests Submitted Prior to Effective Date of Standard Large Generator Interconnection Procedures

5.1 Queue Position for Pending Requests.

5.1.1 Any Interconnection Customer assigned a Queue Position prior to the effective date of this LGIP shall retain that Queue Position with the exceptions discussed below:

5.1.1.1 If an Interconnection Study Agreement has not been executed as of the effective date of this LGIP, then such Interconnection Study, and any subsequent Interconnection Studies, shall be processed in accordance with this LGIP.

5.1.1.2 If an Interconnection Study Agreement has been executed prior to the effective date of this LGIP, such Interconnection Study shall be completed in accordance with the terms of such agreement. With respect to any remaining studies for which an Interconnection Customer has not signed an Interconnection Study Agreement prior to the effective

date of the LGIP, the Interconnection Customer must go forward with the completion of the necessary Interconnection Studies (for which it does not have a signed Interconnection Studies Agreement) in accordance with this LGIP.

5.1.1.3 If a GIA has been executed before the effective date of the LGIP, then the GIA would be grandfathered.

5.1.2 Transition Period.

To the extent necessary, Transmission Provider and Interconnection Customers with an outstanding request (i.e., an Interconnection Request for which an LGIA has not been submitted to FERC for approval as of the effective date of this LGIP) shall transition to this LGIP within a reasonable period of time not to exceed sixty (60) Calendar Days. The use of the term "outstanding request" herein shall mean any Interconnection Request, on the effective date of this LGIP: (i) that has been submitted but not yet accepted by Transmission Provider; (ii) where the related interconnection agreement has not yet been submitted to FERC for approval in executed or unexecuted form, (iii) where the relevant Interconnection Study Agreements have not yet been executed, or (iv) where any of the relevant Interconnection Studies are in process but not yet completed. Any Interconnection Customer with an outstanding request as of the effective date of this LGIP may request a reasonable extension of any deadline, otherwise applicable, if necessary to avoid undue hardship or prejudice to its Interconnection Request. A reasonable extension shall be granted by Transmission Provider to the extent consistent with the intent and process provided for under this LGIP.

5.2 New Transmission Provider.

If Transmission Provider transfers control of its Transmission System to a successor Transmission Provider during the period when an Interconnection Request is pending, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the

request for interconnection. Any difference between such net amount and the deposit or payment required by this LGIP shall be paid by or refunded to the Interconnection Customer, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If Transmission Provider has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not either executed the LGIA or requested the filing of an unexecuted LGIA with FERC, unless otherwise provided, Interconnection Customer must complete negotiations with the successor Transmission Provider.

5.3 Type of Interconnection Services.

5.3.1 Any Interconnection Customer that submitted an Interconnection Request to be studied as a Network Resource under the previous Generator Interconnection Procedures will be deemed to have requested Network Resource Interconnection Service in accordance with this LGIP.

5.3.2 Any Interconnection Customer that submitted an Interconnection Request to be studied as a non-Network Resource under the previous Generator Interconnection Procedures will be deemed to have requested Energy Resource Interconnection Service in accordance with this LGIP.

Section 6. Interconnection Feasibility Study

6.1 Interconnection Feasibility Study Agreement.

Simultaneously with the acknowledgement of a valid Interconnection Request Transmission Provider shall provide to Interconnection Customer an Interconnection Feasibility Study Agreement in the form of Appendix 2. The Interconnection Feasibility Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Interconnection Feasibility Study. Within five (5) Business Days following the Scoping Meeting Interconnection Customer shall specify for inclusion

in the attachment to the Interconnection Feasibility Study Agreement the Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection. Within five (5) Business Days following the Transmission Provider's receipt of such designation, Transmission Provider shall tender to Interconnection Customer the Interconnection Feasibility Study Agreement signed by Transmission Provider, which includes a good faith estimate of the cost for completing the Interconnection Feasibility Study. Interconnection Customer shall execute and deliver to Transmission Provider the Interconnection Feasibility Study Agreement along with a \$10,000 deposit no later than thirty (30) Calendar Days after its receipt.

On or before the return of the executed Interconnection Feasibility Study Agreement to Transmission Provider, Interconnection Customer shall provide the technical data called for in Appendix 1, Attachment A.

If the Interconnection Feasibility Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and Re-studies shall be completed pursuant to Section 6.4 as applicable. For the purpose of this Section 6.1, if Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.4.4, shall be the substitute.

If Interconnection Customer and Transmission Provider agree to forgo the Interconnection Feasibility Study, Transmission Provider will initiate an Interconnection System Impact Study under Section 7 of this LGIP and apply the \$10,000 deposit towards the Interconnection System Impact Study.

6.2 Scope of Interconnection Feasibility Study.

The Interconnection Feasibility Study shall preliminarily evaluate the

feasibility of the proposed interconnection to the Transmission System.

The Interconnection Feasibility Study will consider the Base Case as well as all generating facilities (and with respect to (iii), any identified Network Upgrades) that, on the date the Interconnection Feasibility Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC. The Interconnection Feasibility Study will consist of a power flow and short circuit analysis. The Interconnection Feasibility Study will provide a list of facilities and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

6.3 Interconnection Feasibility Study Procedures.

Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection Feasibility Study no later than forty-five (45) Calendar Days after Transmission Provider receives the fully executed Interconnection Feasibility Study Agreement. At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Feasibility Study, the Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Feasibility Study. If Transmission Provider is unable to complete the Interconnection Feasibility Study within that time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Interconnection Feasibility Study, subject to confidentiality arrangements consistent with Section 13.1.

Transmission Provider shall study the Interconnection Request at the level of service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

6.3.1 Meeting with Transmission Provider.

Within ten (10) Business Days of providing an Interconnection Feasibility Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Feasibility Study.

6.4 Re-Study.

If Re-Study of the Interconnection Feasibility Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, or re-designation of the Point of Interconnection pursuant to Section 6.1 Transmission Provider shall

notify Interconnection Customer in writing. Such Re-Study shall take not longer than forty-five (45) Calendar Days from the date of the notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Section 7. Interconnection System Impact Study

7.1 Interconnection System Impact Study Agreement.

Unless otherwise agreed, pursuant to the Scoping Meeting provided in Section 3.4.4, simultaneously with the delivery of the Interconnection Feasibility Study to Interconnection Customer, Transmission Provider shall provide to Interconnection Customer an Interconnection System Impact Study Agreement in the form of Appendix 3 to this LGIP. The Interconnection System Impact Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection System Impact Study. Within three (3) Business Days following the Interconnection Feasibility Study results meeting, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection System Impact Study.

7.2 Execution of Interconnection System Impact Study Agreement.

Interconnection Customer shall execute the Interconnection System Impact Study Agreement and deliver the executed Interconnection System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt along with demonstration of Site Control, and a \$50,000 deposit.

If Interconnection Customer does not provide all such technical data when it delivers the Interconnection System Impact Study Agreement, Transmission Provider shall notify Interconnection Customer of the deficiency within five (5) Business Days of the receipt of the executed Interconnection System Impact Study Agreement and Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Interconnection System Impact Study Agreement or deposit.

If the Interconnection System Impact Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting and the Interconnection Feasibility Study, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and restudies shall be completed pursuant to Section 7.6 as applicable. For the purpose of this Section 7.2, if Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.4.4, shall be the substitute.

Transmission Provider shall study the Interconnection Request at the level of service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

7.3 Scope of Interconnection System Impact Study.

The Interconnection System Impact Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The Interconnection System Impact Study will consider the Base Case as well as all generating facilities (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Interconnection System Impact Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC.

The Interconnection System Impact Study will consist of a short circuit analysis, a stability analysis, and a power flow analysis. The Interconnection System Impact Study will state the assumptions upon

which it is based; state the results of the analyses; and provide the requirements or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. For purposes of determining necessary Interconnection Facilities and Network Upgrades, the System Impact Study shall consider the level of Interconnection Service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns. The Interconnection System Impact Study will provide a list of facilities that are required as a result of the Interconnection Request and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

7.4 Interconnection System Impact Study Procedures

Transmission Provider shall coordinate the Interconnection System Impact Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.6 above. Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within ninety (90) Calendar Days after the receipt of the Interconnection System Impact Study Agreement or notification to proceed, study payment, and technical data. If Transmission Provider uses Clustering, Transmission Provider shall use Reasonable Efforts to deliver a completed Interconnection System Impact Study within ninety (90) Calendar Days after the close of the Queue Cluster Window.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection System Impact Study. If Transmission Provider is unable to complete the Interconnection System Impact Study within the time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall

provide Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Interconnection System Impact Study, subject to confidentiality arrangements consistent with Section 13.1.

7.5 Meeting with Transmission Provider.

Within ten (10) Business Days of providing an Interconnection System Impact Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection System Impact Study.

7.6 Re-Study.

If Re-Study of the Interconnection System Impact Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, or re-designation of the Point of Interconnection pursuant to Section 7.2 Transmission Provider shall notify Interconnection Customer in writing. Such Re-Study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Section 8. Interconnection Facilities Study.

8.1 Interconnection Facilities Study Agreement.

Simultaneously with the delivery of the Interconnection System Impact Study to Interconnection Customer, Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to this LGIP. The Interconnection Facilities Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Within three (3) Business Days following the Interconnection System Impact Study results meeting, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study. Interconnection Customer shall execute the Interconnection Facilities Study

Agreement and deliver the executed Interconnection Facilities Study Agreement to Transmission Provider within thirty (30) Calendar Days after its receipt, together with the required technical data and the greater of \$100,000 or Interconnection Customer's portion of the estimated monthly cost of conducting the Interconnection Facilities Study.

8.1.1 Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

8.2 Scope of Interconnection Facilities Study.

The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facility to the Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Transmission Provider's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Facilities Study will also identify any potential control equipment for requests for Interconnection Service that are lower than the Generating Facility Capacity.

8.3 Interconnection Facilities Study Procedures.

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.6 above. Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after receipt of an executed Interconnection Facilities Study

Agreement: ninety (90) Calendar Days, with no more than a +/- 20 percent cost estimate contained in the report; or one hundred eighty (180) Calendar Days, if the Interconnection Customer requests a +/- 10 percent cost estimate.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Facilities Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If Transmission Provider is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study report within the time required, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer may, within thirty (30) Calendar Days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1.

8.4 Meeting with Transmission Provider.

Within ten (10) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

8.5 Re-Study.

If Re-Study of the Interconnection Facilities Study is required due to a higher queued project dropping out of the queue or a modification of a higher queued project pursuant to Section 4.4, Transmission Provider shall so notify Interconnection Customer in writing. Such Re-Study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Section 9. Engineering & Procurement ('E&P') Agreement.

Prior to executing an LGIA, an Interconnection Customer may, in order to advance the implementation of its interconnection, request and Transmission Provider shall offer the Interconnection Customer, an E&P Agreement that authorizes Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, Transmission Provider shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the LGIP. The E&P Agreement is an optional procedure and it will not alter the Interconnection Customer's Queue Position or In-Service Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer and to make advance payments or provide other satisfactory security for such costs.

Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Interconnection Customer withdraws its application for interconnection or either Party terminates the E&P Agreement, to the extent the equipment ordered can be canceled under reasonable terms, Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, Transmission Provider may elect: (i) to take title to the equipment, in which event Transmission Provider shall refund Interconnection Customer any amounts paid by

Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

Section 10. Optional Interconnection Study

10.1 Optional Interconnection Study Agreement.

On or after the date when Interconnection Customer receives Interconnection System Impact Study results, the Interconnection Customer may request, and Transmission Provider shall perform a reasonable number of Optional Studies. The request shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Section 10.2. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study, Transmission Provider shall provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 5.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case and assumptions as to the type of interconnection service for Interconnection Requests remaining in the Optional Interconnection Study case, and (iii) Transmission Provider's estimate of the cost of the Optional Interconnection Study. To the extent known by Transmission Provider, such estimate shall include any costs expected to be incurred by any Affected System whose participation is necessary to complete the Optional Interconnection Study. Notwithstanding the above, Transmission Provider shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Optional Interconnection Study

Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the technical data and a \$10,000 deposit to Transmission Provider.

10.2 Scope of Optional Interconnection Study.

The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement. The Optional Interconnection Study will also identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the results of the Optional Interconnection Study. The Optional Interconnection Study shall be performed solely for informational purposes. Transmission Provider shall use Reasonable Efforts to coordinate the study with any Affected Systems that may be affected by the types of Interconnection Services that are being studied. Transmission Provider shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.

10.3 Optional Interconnection Study Procedures.

The executed Optional Interconnection Study Agreement, the prepayment, and technical and other data called for therein must be provided to Transmission Provider within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study Agreement. Transmission Provider shall use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed upon time period specified within the Optional Interconnection Study Agreement. If Transmission Provider is unable to complete the Optional Interconnection Study within such time period, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. Any difference between the study payment and the actual cost of the study shall be paid to Transmission Provider or refunded to Interconnection Customer, as appropriate. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality

arrangements consistent with Section 13.1.

Section 11. Standard Large Generator Interconnection Agreement (LGIA)

11.1 Tender.

Interconnection Customer shall tender comments on the draft Interconnection Facilities Study Report within thirty (30) Calendar Days of receipt of the report. Within thirty (30) Calendar Days after the comments are submitted, Transmission Provider shall tender a draft LGIA, together with draft appendices. The draft LGIA shall be in the form of Transmission Provider's FERC-approved standard form LGIA, which is in Appendix 6. Interconnection Customer shall execute and return the completed draft appendices within thirty (30) Calendar Days.

11.2 Negotiation.

Notwithstanding Section 11.1, at the request of Interconnection Customer Transmission Provider shall begin negotiations with Interconnection Customer concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement. Transmission Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than sixty (60) Calendar Days after tender of the final Interconnection Facilities Study Report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to Section 11.1 and request submission of the unexecuted LGIA with FERC or initiate Dispute Resolution procedures pursuant to Section 13.5. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request either the filing of the unexecuted LGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if the Interconnection Customer has not executed the LGIA, requested filing of an unexecuted LGIA, or initiated Dispute Resolution procedures pursuant to Section 13.5 within sixty (60) Calendar Days of tender of draft LGIA, it shall be deemed to have withdrawn its Interconnection Request. Transmission Provider shall provide to

Interconnection Customer a final LGIA within fifteen (15) Business Days after the completion of the negotiation process.

11.3 Execution and Filing.

Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Transmission Provider (A) reasonable evidence that continued Site Control or (B) posting of \$250,000, non-refundable additional security, which shall be applied toward future construction costs. At the same time, Interconnection Customer also shall provide reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, at the Interconnection Customer election, has been achieved: (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract for the sale of electric energy or capacity from the Large Generating Facility; or (v) application for an air, water, or land use permit.

Interconnection Customer shall either: (i) execute two originals of the tendered LGIA and return them to Transmission Provider; or (ii) request in writing that Transmission Provider file with FERC an LGIA in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of the tendered LGIA (if it does not conform with a FERC-approved standard form of interconnection agreement) or the request to file an unexecuted LGIA, Transmission Provider shall file the LGIA with FERC, together with its explanation of any matters as to which Interconnection Customer and Transmission Provider disagree and support for the costs that Transmission Provider proposes to charge to Interconnection Customer under the LGIA. An unexecuted LGIA should contain terms and conditions deemed appropriate by Transmission Provider for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted LGIA, they may proceed pending FERC action.

11.4 Commencement of Interconnection Activities.

If Interconnection Customer executes the final LGIA, Transmission Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA, subject to modification by FERC. Upon submission of an unexecuted LGIA, Interconnection Customer and Transmission Provider shall promptly comply with the unexecuted LGIA, subject to modification by FERC.

Section 12. Construction of Transmission Provider's Interconnection Facilities and Network Upgrades

12.1 Schedule.

Transmission Provider and Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades.

12.2 Construction Sequencing.

12.2.1 General.

In general, the In-Service Date of an Interconnection Customers seeking interconnection to the Transmission System will determine the sequence of construction of Network Upgrades.

12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer.

An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Transmission System, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to

accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider: (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

Transmission Provider will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 11.4 of the LGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that Transmission Provider has not refunded to the Interconnection Customer. Payment by that entity shall be due on the date that it would have been due had there been no request for advance construction. Transmission Provider shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. Transmission Provider then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 11.4 of the LGIA.

12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the Transmission Provider. An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of Transmission Provider, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider any associated expediting costs. Interconnection Customer shall be entitled to transmission credits, if any, for any expediting costs paid.

12.2.4 Amended Interconnection System Impact Study.

An Interconnection System Impact Study will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date.

Section 13. Miscellaneous

13.1 Confidentiality.

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of an LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

13.1.1 Scope.

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such

information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the LGIA; or (6) is required, in accordance with Section 13.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

13.1.2 Release of Confidential Information.

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1 and has agreed to comply with such provisions.

Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 13.1.

13.1.3 Rights.

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

13.1.4 No Warranties.

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

13.1.5 Standard of Care.

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory requirements.

13.1.6 Order of Disclosure.

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of the LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

13.1.7 Remedies.

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 13.1. Each Party accordingly agrees that the other

Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure to FERC, or its Staff, or a State.

Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 C.F.R. section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the LGIP, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

13.1.9 Subject to the exception in Section 13.1.8, any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

13.1.10 This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

13.1.11 Transmission Provider shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

13.2 Delegation of Responsibility.

Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIP. Transmission

Provider shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this LGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 Obligation for Study Costs.

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies. Any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to beginning of any such future Interconnection Studies. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customer shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefor. Transmission Provider shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all undisputed amounts in compliance herewith.

13.4 Third Parties Conducting Studies.

If (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 6.3, 7.4 or 8.3 that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Sections 6.3, 7.4 or 8.3 within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require Transmission Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission Provider may also utilize a third party consultant to perform such

Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 26 of the LGIA (Subcontractors) and limited to situations where Transmission Provider determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with Transmission Provider's progress on Interconnection Studies for other pending Interconnection Requests. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Transmission Provider shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. Transmission Provider shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Section 13.1. In any case, such third party contract may be entered into with either Interconnection Customer or Transmission Provider at Transmission Provider's discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the LGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if Transmission Provider were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. Transmission Provider shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes.

13.5.1 Submission.

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIA, the LGIP, or their performance, such Party (the "disputing Party") shall provide the

other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

13.5.2 External Arbitration Procedures.

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13, the terms of this Section 13 shall prevail.

13.5.3 Arbitration Decisions.

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set

forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

13.5.4 Costs.

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

13.5.5 Non-binding dispute resolution procedures.

If a Party has submitted a Notice of Dispute pursuant to section 13.5.1, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that section, and the Parties cannot reach mutual agreement to pursue the section 13.5 arbitration process, a Party may request that Transmission Provider engage in Non-binding Dispute Resolution pursuant to this section by providing written notice to Transmission Provider (“Request for Non-binding Dispute Resolution”). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this section without first seeking mutual agreement to pursue the section 13.5 arbitration process. The process in section 13.5.5 shall serve as an alternative to, and not a replacement of, the section 13.5 arbitration process. Pursuant to this process, a Transmission Provider must within 30 days of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with either Party. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This

decision-maker shall be authorized only to interpret and apply the provisions of the LGIP and LGIA and shall have no power to modify or change any provision of the LGIP and LGIA in any manner. The result reached in this process is not binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding dispute resolution process in future dispute resolution processes, including in a section 13.5 arbitration, or in a Federal Power Act section 206 complaint. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

13.6 Local Furnishing Bonds.

13.6.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds.

This provision is applicable only to a Transmission Provider that has financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this LGIA and LGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this LGIA and LGIP if the provision of such Interconnection Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Transmission Provider's facilities that would be used in providing such Interconnection Service.

13.6.2 Alternative Procedures for Requesting Interconnection Service.

If Transmission Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the

Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 5.2(ii) of the Transmission Provider's Tariff.

APPENDIX 1 to LGIP INTERCONNECTION REQUEST

1. The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility with Transmission Provider's Transmission System pursuant to a Tariff.
2. This Interconnection Request is for (check one):
☐ A proposed new Large Generating Facility.
☐ An increase in the generating capacity or a Material Modification of an existing Generating Facility.
3. The type of interconnection service requested (check one):
☐ Energy Resource Interconnection Service
☐ Network Resource Interconnection Service
4. ☐ Check here only if Interconnection Customer requesting Network Resource Interconnection Service also seeks to have its Generating Facility studied for Energy Resource Interconnection Service
5. Interconnection Customer provides the following information:
 - a. Address or location or the proposed new Large Generating Facility site (to the extent known) or, in the case of an existing Generating Facility, the name and specific location of the existing Generating Facility;
 - b. Maximum summer at ____ degrees C and winter at ____ degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;
 - c. General description of the equipment configuration;

- d. Commercial Operation Date (Day, Month, and Year);
 - e. Name, address, telephone number, and e-mail address of the Interconnection Customer's contact person;
 - f. Approximate location of the proposed Point of Interconnection (optional); and
 - g. Interconnection Customer Data (set forth in Attachment A) and
 - h. Primary frequency response operating range for electric storage resources.
 - i. Requested capacity (in MW) of Interconnection Service (if lower than the Generating Facility Capacity).
6. Applicable deposit amount as specified in the LGIP.
7. Evidence of Site Control as specified in the LGIP (check one)
____ Is attached to this Interconnection Request
____ Will be provided at a later date in accordance with this LGIP
8. This Interconnection Request shall be submitted to the representative indicated below:
- [To be completed by Transmission Provider]
9. Representative of the Interconnection Customer to contact:
[To be completed by Interconnection Customer]
10. This Interconnection Request is submitted by:
- Name of Interconnection Customer: _____
- By (signature): _____
- Name (type or print): _____
- Title: _____
- Date: _____

Interconnection Request**LARGE GENERATING FACILITY DATA****UNIT RATINGS**

kVA _____ °F _____ Voltage _____
 Power Factor _____
 Speed (RPM) _____ Connection (e.g. Wye) _____
 Short Circuit Ratio _____ Frequency, Hertz _____
 Stator Amperes at Rated kVA _____ Field Volts _____
 Max Turbine MW _____ °F _____

Primary frequency response operating range for electric storage
 sources:

Minimum State of Charge: _____

Maximum State of Charge: _____

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H = _____ kW sec/kVA
 Moment-of-Inertia, WR^2 = _____ lb. ft.²

REACTANCE DATA (PER UNIT-RATED KVA)**DIRECT AXIS QUADRATURE AXIS**

Synchronous – saturated	Xdv _____	Xqv _____
Synchronous – unsaturated	Xdi _____	Xqi _____
Transient – saturated	XNdv _____	XNqv _____
Transient – unsaturated	XNdi _____	XNqi _____
Subtransient – saturated	XOdv _____	XOqv _____
Subtransient – unsaturated	XOdi _____	XOqi _____
Negative Sequence – saturated	X2v _____	
Negative Sequence – unsaturated	X2i _____	
Zero Sequence – saturated	X0v _____	
Zero Sequence – unsaturated	X0i _____	
Leakage Reactance	Xlm _____	

FIELD TIME CONSTANT DATA (SEC)

Open Circuit	TNdo _____	TNqo _____
Three-Phase Short Circuit Transient	TNd3 _____	TNq _____
Line to Line Short Circuit Transient	TNd2 _____	
Line to Neutral Short Circuit Transient	TNd1 _____	
Short Circuit Subtransient	TOd _____	TOq _____
Open Circuit Subtransient	TOdo _____	TOqo _____

ARMATURE TIME CONSTANT DATA (SEC)

Three Phase Short Circuit	Ta3 _____
Line to Line Short Circuit	Ta2 _____
Line to Neutral Short Circuit	Ta1 _____

NOTE: If requested information is not applicable, indicate by marking "N/A."

**Attachment A (page 2) to Appendix 1
Interconnection Request**

**MW CAPABILITY AND PLANT CONFIGURATION LARGE
GENERATING FACILITY DATA**

ARMATURE WINDING RESISTANCE DATA (PER UNIT)

Positive	R1	_____
Negative	R2	_____
Zero	R0	_____

Rotor Short Time Thermal Capacity I_2^2t = _____

Field Current at Rated kVA, Armature Voltage and PF = _____ amps

Field Current at Rated kVA and Armature Voltage, 0 PF = _____ amps

Three Phase Armature Winding Capacitance = _____ microfarad

Field Winding Resistance = _____ ohms _____ °C

Armature Winding Resistance (Per Phase) = _____ ohms _____ °C

CURVES

Provide Saturation, Vee, Reactive Capability, Capacity Temperature Correction curves.
Designate normal and emergency Hydrogen Pressure operating range for multiple curves.

**Attachment A (page 3) To Appendix 1
Interconnection Request**

GENERATOR STEP-UP TRANSFORMER DATA RATINGS

Capacity Self-cooled/
 maximum nameplate
_____ / _____ kV

Voltage Ratio Generator side/System side
_____ / _____ kV

Winding Connections Low V/High V (Delta or Wye)
_____ / _____

Fixed Taps Available _____

Present Tap Setting _____

IMPEDANCE

Positive Z1 (on self-cooled kVA rating) _____ % _____ X/R

Zero Z0 (on self-cooled kVA rating) _____ % _____ X/R

**Attachment A (page 4) To Appendix 1
Interconnection Request**

EXCITATION SYSTEM DATA

Identify appropriate IEEE model block diagram of excitation system and power system stabilizer (PSS) for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.

GOVERNOR SYSTEM DATA

Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.

WIND GENERATORS

Number of generators to be interconnected pursuant to this Interconnection Request:

Elevation: _____ Single Phase _____ Three Phase

Inverter manufacturer, model name, number, and version:

List of adjustable setpoints for the protective equipment or software:

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

Attachment A (page 5) To Appendix 1 Interconnection Request

INDUCTION GENERATORS:

- (*) Field Volts: _____
- (*) Field Amperes: _____
- (*) Motoring Power (kW): _____
- (*) Neutral Grounding Resistor (If Applicable): _____
- (*) I^2t or K (Heating Time Constant): _____
- (*) Rotor Resistance: _____
- (*) Stator Resistance: _____
- (*) Stator Reactance: _____
- (*) Rotor Reactance: _____
- (*) Magnetizing Reactance: _____
- (*) Short Circuit Reactance: _____
- (*) Exciting Current: _____
- (*) Temperature Rise: _____
- (*) Frame Size: _____
- (*) Design Letter: _____
- (*) Reactive Power Required In Vars (No Load): _____

(*) Reactive Power Required In Vars (Full Load): _____

(*) Total Rotating Inertia, H: _____ Per Unit on KVA Base

Note: Please consult Transmission Provider prior to submitting the Interconnection Request to determine if the information designated by (*) is required.

Attachment B to Appendix 1
Interconnection Request

GENERATING FACILITY DATA
Technological Advancement Request Form

1. **Description** - Describe the requested technological advancement to the proposed Generating Facility.
2. **Required Information** - Provide all details, model data, and analysis as determined by Transmission Provider necessary to demonstrate that the proposed technological advancement would result in electrical performance that is equal to or better than the electrical performance expected prior to the proposed technological advancement and that the proposed technical advancement is a Permissible Technological Advancement.
3. **Updated Information** - Provide redlined updates reflecting the proposed technological advancement to the Generating Facility Data (Attachment(s) A to Appendix 1, as appropriate) included in the Interconnection Request.

APPENDIX 1A to LGIP
NOTICE OF AVAILABLE SURPLUS INTERCONNECTION SERVICE

1. The undersigned Interconnection Customer with an effective GIA or LGIA submits this notice to make Surplus Interconnection Service available at the existing Point of Interconnection for its Generating Facility.
2. This Surplus Interconnection Service is intended to be utilized by:

_____ The Interconnection Customer with an effective GIA or LGIA.

_____ An Affiliate of the Interconnection Customer with an effective GIA or LGIA.

_____ An unaffiliated potential Interconnection Customer.
3. Interconnection Customer with an effective GIA or LGIA provides the following information:
 - a. A copy of the effective GIA or LGIA associated with the existing Interconnection Service;
 - b. The amount of Surplus Interconnection Service to be made available, in MW;
 - c. The period(s) of time when Surplus Interconnection Service will be available; and
 - d. The conditions under which Surplus Interconnection Service at the Point of Interconnection may be used;
4. This Notice of Available Surplus Interconnection Service, and any subsequent inquiries related to this Notice of Available Surplus Interconnection Service, shall be submitted to the representative indicated below:

If by mail or overnight delivery:

Tri-State Generation and Transmission Association, Inc.

Attn: Transmission Interconnection Administrator

1100 W. 116th Avenue

Westminster, Colorado 80234

5. This Notice of Available Surplus Interconnection Service is submitted by:

Name of Interconnection
Customer:

Title: _____

Address: _____

Telephone Number: _____

E-mail address: _____

Date: _____

APPENDIX 1B to LGIP
SURPLUS INTERCONNECTION SERVICE REQUEST

1. The undersigned Surplus Interconnection Customer submits this request to interconnect its Surplus Generating Facility to the Interconnection Facilities owned by the original Interconnection Customer offering the Surplus Interconnection Service pursuant to the Tariff.
2. Pursuant to the conditions in Section 3.3.7.2 of the LGIP, this Surplus Interconnection Service Request shall be studied as:

☐ Network Resource Interconnection Service.
☐ Energy Resource Interconnection Service.
3. Surplus Interconnection Customer provides the following information:
 - a. Address or location of the Surplus Generating Facility site (to the extent known);
 - b. The requested amount of Surplus Generating Capacity, in MW;
 - c. General description of the equipment configuration;
 - d. In-Service Date (Day, Month, and Year);
 - e. The proposed commercial operation date (Day, Month, and Year) of the Surplus Generating Facility;
 - f. Name, address, telephone number, and e-mail address of Surplus Interconnection Customer's contact person;
 - g. Point of Interconnection associated with the existing Interconnection Service and, if known, the initial Interconnection Request number;
 - h. Surplus Interconnection Customer Data (set forth in Attachment A), including a preliminary one-line diagram of the proposed Surplus Generating Facility showing how it will connect to the existing Interconnection Facilities owned by

the Interconnection Customer making the Surplus Interconnection Service available;

- i. Primary frequency response operating range for electric storage resources; and
 - j. Evidence demonstrating that the original Interconnection Customer with the effective GIA or LGIA agrees with allowing the Surplus Interconnection Service Request to proceed.
4. A refundable deposit of \$10,000.
5. This Surplus Interconnection Service Request, and any subsequent inquiries related to this Surplus Interconnection Service Request, shall be submitted to the representative indicated below:

If by mail or overnight delivery:

Tri-State Generation and Transmission Association, Inc

Attn: Transmission Interconnection Administrator

1100 W. 116th Avenue

Westminster, Colorado 80234

6. Representative of Surplus Interconnection Customer to contact:

[To be completed by Interconnection Customer]

7. This Surplus Interconnection Request is submitted by:

Name of Surplus Interconnection
Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

**APPENDIX 2 to LGIP
INTERCONNECTION FEASIBILITY STUDY AGREEMENT**

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ existing under the laws of the State of _____, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection Feasibility Study to assess the feasibility of interconnecting the proposed Large Generating Facility to the Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection Feasibility Study consistent with

Section 6.0 of this LGIP in accordance with the Tariff.

- 3.0 The scope of the Interconnection Feasibility Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Interconnection Feasibility Study shall be based on the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Feasibility Study and as designated in accordance with Section 3.4.4 of the LGIP. If, after the designation of the Point of Interconnection pursuant to Section 3.4.4 of the LGIP, Interconnection Customer modifies its Interconnection Request pursuant to Section 4.4, the time to complete the Interconnection Feasibility Study may be extended.
- 5.0 The Interconnection Feasibility Study report shall provide the following information:
 - preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and
 - preliminary description and non-bonding estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit and power flow issues.
- 6.0 Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Interconnection Feasibility Study.

Upon receipt of the Interconnection Feasibility Study Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Feasibility Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

- 7.0 Miscellaneous. The Interconnection Feasibility Study Agreement shall include standard miscellaneous terms including, but not limited to,

indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____
Title: _____ Title: _____
Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____
Title: _____
Date: _____

**Attachment A to Appendix 2
Interconnection Feasibility
Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION FEASIBILITY STUDY**

The Interconnection Feasibility Study will be based upon the information set forth

in the Interconnection Request and agreed upon in the Scoping Meeting held on _____:

Designation of Point of Interconnection and configuration to be studied. Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

APPENDIX 3 to LGIP INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ existing under the laws of the State of _____, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System;

WHEREAS, Transmission Provider has completed an Interconnection Feasibility Study (the "Feasibility Study") and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection System Impact Study to assess the impact of interconnecting the Large Generating Facility to the Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection System Impact Study consistent with Section 7.0 of this LGIP in accordance with the Tariff.
- 3.0 The scope of the Interconnection System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study and the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the LGIP. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Customer System Impact Study. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the Interconnection System Impact Study may be extended.
- 5.0 The Interconnection System Impact Study report shall provide the following information:
 - identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection and
 - description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.
- 6.0 Interconnection Customer shall provide a deposit of \$50,000 for the performance of the Interconnection System Impact Study. Transmission

Provider's good faith estimate for the time of completion of the Interconnection System Impact Study is [insert date].

Upon receipt of the Interconnection System Impact Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study.
Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7.0 Miscellaneous. The Interconnection System Impact Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.]

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By:_____By:_____
Title:_____Title:_____
Date:_____Date:_____

[Insert name of Interconnection Customer]

By:

Title:

Date:

Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE INTERCONNECTION SYSTEM IMPACT STUDY

The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study, subject to any modifications in accordance with Section 4.4 of the LGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.
Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

APPENDIX 3A to LGIP SURPLUS INTERCONNECTION SERVICE IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Surplus Interconnection Customer" or "SIC") and _____ a _____ existing under the laws of the State of _____, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Surplus Interconnection Customer is proposing to develop a Surplus Generating Facility ("SGF") consistent with the Surplus Interconnection Service Request No. (_____), _____ MW of Surplus Interconnection Service for the [Project Name];

WHEREAS, Surplus Interconnection Customer's Surplus Interconnection Service Request is associated with the original Interconnection Customer, [Company Name] , with the effective Generator Interconnection Agreement, [Date], TSOA [Contract Number];

WHEREAS, the original Interconnection Customer has agreed to allow for the Surplus Interconnection Service Request to proceed; and

WHEREAS, Transmission Provider requires a Surplus Interconnection Service Impact

Study (the “Service Impact Study” or “SIS”) to assess the Surplus Interconnection Service on Transmission Provider’s Transmission System and any Affected Systems.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.

2.0 Surplus Interconnection Customer elects and Transmission Provider shall cause to be performed a Service Impact Study consistent with Section 3.3.5.2 of this LGIP in accordance with the Tariff.

3.0 The scope of the Service Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Service Impact Study will be based upon the technical information provided by Surplus Interconnection Customer in the Surplus Interconnection Service Request. Transmission Provider reserves the right to request additional technical information from Surplus Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Service Impact Study. If Surplus Interconnection Customer modifies its Surplus Interconnection Service Request, or the technical information provided therein is modified, the time to complete the Service Impact Study may be extended.

5.0 The Service Impact Study report shall: (i) address reactive power, short circuit, and stability issues identified in the Service Impact Study; (ii) steady-state (thermal/voltage) issues as necessary to ensure that all required reliability conditions are studied; and (iii) if Transmission Provider’s Interconnection Facilities are required to support the Surplus Interconnection Service Request, a description of the modification and non-binding, good faith cost estimate.

6.0 Surplus Interconnection Customer shall provide a refundable deposit of \$10,000 for the performance of the Service Impact Study. Transmission Provider’s good faith estimate for the time of completion of the Service Impact Study is [insert date].

Upon receipt of the Service Impact Study, Transmission Provider shall charge and Surplus Interconnection Customer shall pay the actual costs of the Service Impact Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Surplus Interconnection Customer, as appropriate.

7.0 Miscellaneous. The Surplus Interconnection Service Impact Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations

and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.]

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Surplus Interconnection Customer]

By: _____

Title: _____

Date: **Attachment A To Appendix 3A**
Service Impact Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE SERVICE IMPACT STUDY

The Service Impact Study will be based upon the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

[Above assumptions to be completed by Surplus Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

APPENDIX 4 to LGIP INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ existing under the laws of the State of _____, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System;

WHEREAS, Transmission Provider has completed an Interconnection System Impact Study (the "System Impact Study") and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to

be performed in accordance with the Tariff.

- 3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.
- 4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Large Generating Facility to the Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Interconnection System Impact Study.
- 5.0 Interconnection Customer shall provide a deposit of \$100,000 for the performance of the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

- 6.0 Miscellaneous. The Interconnection Facility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**Attachment A To Appendix 4
Interconnection Facilities
Study Agreement**

**INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR
CONDUCTING THE INTERCONNECTION FACILITIES STUDY**

Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after of receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or
- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

**Attachment B (page 1) to
Appendix 4 Interconnection
Facilities Study Agreement**

**DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER
WITH THE
INTERCONNECTION FACILITIES STUDY AGREEMENT**

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

On the one line diagram indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one line diagram indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance?
_____Yes _____No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes No (Please indicate on one line diagram).

What type of control system or PLC will be located at the Interconnection Customer's Large Generating Facility?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to Transmission Provider's transmission line.

Tower number observed in the field. (Painted on tower leg)*

Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

Is the Large Generating Facility in the Transmission Provider's service area?

____ Yes _____ No ____ Local provider: _____

Please provide proposed schedule dates:

Begin Construction Date: _____

Generator step-up transformer
receives back feed power Date: _____

Generation Testing Date: _____

Commercial Operation Date: _____

Attachment B (page 2)
Appendix 4
Interconnection Facilities Study Agreement

Line length from interconnection station to Transmission Provider's transmission line.

Tower number observed in the field. (Painted on tower leg)*

Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

Is the Large Generating Facility in the Transmission Provider's service area?

_____ Yes _____ No

Local provider: _____

Please provide proposed schedule dates:

Begin Construction Date: _____

Generator step-up transformer Date: _____

receives back feed power

Generation Testing Date: _____

Commercial Operation Date: _____ **APPENDIX**

5 to LGIP
OPTIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of _____,
20__ by and between _____, a _____ organized
and existing under the laws of the State of _____, ("Interconnection Customer,")
and _____ an _____ existing under the laws of the State of _____
("Transmission Provider "). Interconnection Customer and Transmission Provider each
may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____;

WHEREAS, Interconnection Customer is proposing to establish an interconnection with the Transmission System; and

WHEREAS, Interconnection Customer has submitted to Transmission Provider an Interconnection Request; and

WHEREAS, on or after the date when Interconnection Customer receives the Interconnection System Impact Study results, Interconnection Customer has further requested that Transmission Provider prepare an Optional Interconnection Study;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause an Optional Interconnection Study consistent with Section 10.0 of this LGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Optional Interconnection Study shall be performed solely for informational purposes.
- 5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or interconnection service based upon the assumptions specified by Interconnection Customer in Attachment A.
- 6.0 Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Optional Interconnection Study. Transmission Provider's good faith estimate for the time of completion of the Optional

Interconnection Study is [insert date].

Upon receipt of the Optional Interconnection Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Optional Study.

Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7.0 Miscellaneous. The Optional Interconnection Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**APPENDIX 6 to LGIP
LARGE GENERATOR INTERCONNECTION AGREEMENT
(SEE LGIA)
APPENDIX 7**

INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Appendix 7 sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by section 3.3 of this LGIP, may provide to the Transmission Provider a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in this LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the Transmission Provider to complete the System Impact Study.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Attachment P, Large Generator Interconnection Agreement, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 71

Tariff Record Collation Value: 7500000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

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STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

(LGIA)

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STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this ____ day of _____ 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), and _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Transmission Provider and/or Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

Article 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity. A cooperative's members are not considered Affiliates for purposes of this Tariff.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the Regional Entity, as defined by Section 215 of the Federal Power Act, applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Contingent Facilities shall mean those unbuilt Interconnection Facilities, Network Upgrades, and/or planned Interconnection Facilities and Network Upgrades not yet in-service upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing. Contingent Facilities are identified in Appendix A of the Standard Large Generator Interconnection Agreement.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the

production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss shall mean any and all losses relating to injury to or death of any person or

damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Corporation or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on

assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

Queue Position shall mean the order of a valid Interconnection Request, or Surplus Interconnection Service Request as applicable, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the

Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the Point of Interconnection would remain the same.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission

Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Variable Energy Resource shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

Article 2. Effective Date, Term, and Termination

- 2.1 Effective Date.** This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.
- 2.2 Term of Agreement.** Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter.
- 2.3 Termination Procedures.**
- 2.3.1 Written Notice.** This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.
- 2.3.2 Default.** Either Party may terminate this LGIA in accordance with Article 17.
- 2.3.3** Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.
- 2.4 Termination Costs.** If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by FERC:
- 2.4.1** With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or

equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection. Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival. This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred

hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

- 3.1 Filing.** Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

- 4.1 Interconnection Product Options.** Interconnection Customer has selected the following (checked) type of Interconnection Service:

4.1.1 Energy Resource Interconnection Service.

4.1.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 Transmission Delivery Service Implications. Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the

applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service.

4.1.2.1 The Product. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission

Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 Transmission Delivery Service Implications. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large

Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

4.2 Provision of Service. Transmission Provider shall provide Interconnection

Service for the Large Generating Facility at the Point of Interconnection.

- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.
- 4.4 No Transmission Delivery Service.** The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.
- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

- 5.1 Options.** Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission Provider, the Interconnection Customer shall notify Transmission Provider within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

- 5.1.1 Standard Option.** Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to

undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

- 5.1.2 Alternate Option.** If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

- 5.1.3 Option to Build.** Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

- 5.1.4 Negotiated Option.** If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the

procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then pursuant to Article 5.1.1 (Standard Option), Transmission Provider shall assume responsibility for the design, procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

- (1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;
- (2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;
- (5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider;

(10) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

(12) If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Transmission Provider the agreed upon amount of [\$ PLACEHOLDER] for Transmission Provider to execute the responsibilities enumerated to Transmission Provider under Article 5.2. Transmission Provider shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are

not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to $\frac{1}{2}$ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the

guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement. If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;

5.5.2 Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement. Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;

5.6.3 Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Other Interconnection Options.

5.9.1 Limited Operation. If any Contingent Facilities or Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of any Contingent Facilities or Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.9.2 Provisional Interconnection Service. Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, Contingent Facilities, or System Protection Facilities Transmission Provider may execute a Provisional Large Generator Interconnection Agreement or Interconnection Customer may request the filing of an unexecuted Provisional Large Generator Interconnection Agreement with the Interconnection Customer for limited

Interconnection Service at the discretion of Transmission Provider based upon an evaluation that will consider the results of available studies. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, Contingent Facilities, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such, Interconnection Facilities, Network Upgrades, Distribution Upgrades, Contingent Facilities, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated on an annual or as needed basis and at the Interconnection Customer's expense. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, Contingent Facilities, and/or System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities ('ICIF').

Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications.

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications

within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review. Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction.

Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities.

Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

- 5.12 Access Rights.** Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.
- 5.13 Lands of Other Property Owners.** If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property.
- 5.14 Permits.** Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.
- 5.15 Early Construction of Base Case Facilities.** Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer,

and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider. Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as

income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost

of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$. Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At

Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests. In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income

that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

5.17.8 Refund. In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission

Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

- (i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,
- (ii) interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and
- (iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 Transmission Owners Who Are Not Transmission Providers. If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing

of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any

modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

- 6.2 Post-Commercial Operation Date Testing and Modifications.** Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

- 7.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of

Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.
- 7.3 Standards.** Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.
- 7.4 Testing of Metering Equipment.** Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.
- 7.5 Metering Data.** At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one

or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8. Communications

8.1 Interconnection Customer Obligations. Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bidirectional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the

mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

8.4 Provision of Data from a Variable Energy Resource. The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9. Operations

9.1 General. Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification. At least three months before Initial Synchronization

Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

- 9.3 Transmission Provider Obligations.** Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.
- 9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.
- 9.6 Reactive Power and Primary Frequency Response.**
- 9.6.1 Power Factor Design Criteria.**
- 9.6.1.1 Synchronous Generation.** Interconnection Customer shall design the Large Generating Facility to maintain a composite

power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all synchronous generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all non-synchronous generators in the Control Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 Voltage Regulators. Whenever the Large Generating Facility is operated in parallel with the Transmission System and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its voltage regulators in automatic operation. If the Large Generating Facility's voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power. Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.6.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz

deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Large Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in Sections 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

9.6.4.1 Governor or Equivalent Controls. Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to

Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service.

Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

9.6.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 Exemptions. Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be

exempt from Sections 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 9.6.4, but shall be otherwise exempt from the operating requirements in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4. Electric Storage Resources. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 9.6.4, 9.6.4.1, 9.6.4.2 and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the

Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules. Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however,

adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service. If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

- 9.7.2.3** When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;
- 9.7.2.4** Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;
- 9.7.2.5** The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions. The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements.

- 9.7.4.1 System Protection Facilities.** Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.
- 9.7.4.2** Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.
- 9.7.4.3** Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.
- 9.7.4.4** Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.
- 9.7.4.5** Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.
- 9.7.4.6** Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault

contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if

the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

- 9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

- 10.1 Transmission Provider Obligations.** Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.
- 10.2 Interconnection Customer Obligations.** Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.
- 10.3 Coordination.** The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.
- 10.4 Secondary Systems.** Each Party shall cooperate with the other in the inspection,

maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

- 10.5 Operating and Maintenance Expenses.** Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

Article 11. Performance Obligation

- 11.1 Interconnection Customer Interconnection Facilities.** Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.
- 11.2 Transmission Provider's Interconnection Facilities.** Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.
- 11.3 Network Upgrades and Distribution Upgrades.** Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades.

Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

11.4.2 Special Provisions for Affected Systems. Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

In addition:

11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a

reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of

Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

12.4 Disputes. In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

13.1 Definition. "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a

non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations. Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice. Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action. Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

13.5 Transmission Provider Authority.

13.5.1 General. Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or

prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities.

Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

- 13.5.2 Reduction and Disconnection.** Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

- 13.6 Interconnection Customer Authority.** Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.
- 13.7 Limited Liability.** Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

- 14.1 Regulatory Requirements.** Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.
- 14.2 Governing Law.**
- 14.2.1** The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.
- 14.2.2** This LGIA is subject to all Applicable Laws and Regulations.
- 14.2.3** Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a

Governmental Authority.

Article 15. Notices.

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice . Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1Economic hardship is not considered a Force Majeure event.

16.1.2Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by

telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default

17.1.1General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2Right to Terminate. If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this LGIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this LGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal

defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party.

Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

18.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance. Each party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

- 18.3.2** Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.
- 18.3.3** Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.
- 18.3.4** Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.
- 18.3.5** The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.
- 18.3.6** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been

covered. Each Party shall be responsible for its respective deductibles or retentions.

18.3.7The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

18.3.8The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.

18.3.9Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19. Assignment

19.1 Assignment. This LGIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

21.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 Term. During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the

other Party that it no longer is confidential.

- 22.1.3 Release of Confidential Information.** Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.
- 22.1.4 Rights.** Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 22.1.5 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.
- 22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall

provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement. Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to FERC, its Staff, or a State. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its

staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

23.1 Each Party shall notify the other Party, first orally and then in writing, of the

release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

- 24.1 Information Acquisition.** Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.
- 24.2 Information Submission by Transmission Provider.** The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.
- 24.3 Updated Information Submission by Interconnection Customer.** The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally

provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station.

Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

- 25.1 Information Access.** Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.
- 25.2 Reporting of Non-Force Majeure Events.** Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.
- 25.3 Audit Rights.** Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.
- 25.4 Audit Rights Periods.**
- 25.4.1 Audit Rights Period for Construction-Related Accounts and Records.** Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article

12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records.

Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

26.1 General. Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

- 27.1 Submission.** In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.
- 27.2 External Arbitration Procedures.** Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.
- 27.3 Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the

standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

- 27.4 Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

- 28.1 General.** Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument

applicable to or binding upon such Party or any of its assets.

- 28.1.4 Consent and Approval.** Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

Article 29. Joint Operating Committee

- 29.1 Joint Operating Committee.** Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

- 29.1.1** Establish data requirements and operating record requirements.
- 29.1.2** Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.
- 29.1.3** Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.
- 29.1.4** Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and

other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.

29.1.5 Ensure that information is being provided by each Party regarding equipment availability.

29.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

30.1 Binding Effect. This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts. In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement. This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.

30.5 No Third Party Beneficiaries. This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

30.6 Waiver. The failure of a Party to this LGIA to insist, on any occasion, upon strict performance of any provision of this LGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts. This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. Transmission Provider shall have the right to make a

unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By:

Title: _____ Title:

Date: _____ Date:

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date:

Appendix A to LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:

(a) **[insert Interconnection Customer's Interconnection Facilities]:**

(b) **[insert Transmission Provider's Interconnection Facilities]:**

2. Network Upgrades:

(a) **[insert Stand Alone Network Upgrades]:**

(b) [insert Other Network Upgrades]:

3. Distribution Upgrades:

3. Contingent Facilities:

Appendix B to LGIA

Milestones

Appendix C to LGIA

Interconnection Details

Appendix D to LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

Appendix E to LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

[Transmission Provider Address]

Re: _____ Large Generating Facility

Dear _____ :

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. _____. This letter confirms that **[Interconnection Customer]** commenced Commercial Operation of Unit No. _____ at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]
Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Notices:.

Transmission Provider: _

[To be supplied.]

Interconnection Customer: _

[To be supplied.]

Billings and Payments:

Transmission Provider: _

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Transmission Provider: _

[To be supplied.]

Interconnection Customer:

[To be supplied.]

APPENDIX G

Interconnection Requirements for a Wind Generating Plant

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind

generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer(i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the

location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.

Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has executed a Facilities Study Agreement as of the effective

date of the Final Rule establishing the reactive power requirements for non-synchronous generators in section 9.6.1 of this LGIA (Order No. 827). A wind generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Transmission Provider's System Impact Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability 606 (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

Record Narrative Name:
 Tariff Record ID: 68
 Tariff Record Collation Value: 7550000 Tariff Record Parent Identifier: 0
 Proposed Date: 9998-12-31
 Priority Order: 500
 Record Change Type: NEW
 Record Content Type: 1
 Associated Filing Identifier:

Attachment Q

Small Generator Interconnection Procedures (SGIP) (For Generating Facilities No Larger Than 20 MW)

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Attachment 1 – Glossary of Terms

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Attachment 3 – Certification Codes and Standards

Attachment 4 – Certification of Small Generator Equipment Packages

Attachment 5 – Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW (“10 kW Inverter Process”)

Attachment 6 – Feasibility Study Agreement

Attachment 7 – System Impact Study Agreement

Attachment 8 – Facilities Study Agreement

Section 1. Application

1.1 Applicability

- 1.1.1 A request to interconnect a certified Small Generating Facility (See Attachments 3 and 4 for description of certification criteria) to the Transmission Provider's Distribution System shall be evaluated under the section 2 Fast Track Process if the eligibility requirements of section 2.1 are met. A request to interconnect a certified inverter-based Small Generating Facility no larger than 10 kilowatts (kW) shall be evaluated under the Attachment 5 10 kW Inverter Process. A request to interconnect a Small Generating Facility no larger than 20 megawatts (MW) that does not meet the eligibility requirements of section 2.1, or does not pass the Fast Track Process or the 10 kW Inverter Process, shall be evaluated under the section 3 Study Process. If the Interconnection Customer wishes to interconnect its Small Generating Facility using Network Resource Interconnection Service, it must do so under the Standard Large Generator Interconnection Procedures and execute the Standard Large Generator Interconnection Agreement.
- 1.1.2 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.
- 1.1.3 Neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to 60 Business Days after the effective date of these procedures.
- 1.1.4 Prior to submitting its Interconnection Request (Attachment 2), the Interconnection Customer may ask the Transmission Provider's interconnection contact employee or office whether the proposed interconnection is subject to these procedures. The Transmission Provider shall respond within 15 Business Days.
- 1.1.5 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Federal Energy Regulatory Commission expects all Transmission Providers, market participants, and Interconnection Customers interconnected with electric systems to comply with the recommendations offered by the President's Critical Infrastructure

Protection Board and best practice recommendations from the electric

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reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

1.1.6 References in these procedures to interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

1.2 Pre-Application

- 1.2.1 The Transmission Provider shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and e-mail address of such contact employee or office shall be made available on the Transmission Provider's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Transmission Provider's Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The Transmission Provider shall comply with reasonable requests for such information.
- 1.2.2 In addition to the information described in section 1.2.1, which may be provided in response to an informal request, an Interconnection Customer may submit a formal written request form along with a non-refundable fee of \$300 for a pre-application report on a proposed project at a specific site. The Transmission Provider shall provide the pre-application data described in section 1.2.3 to the Interconnection Customer within 20 Business Days of receipt of the completed request form and payment of the \$300 fee. The pre-application report produced by the Transmission Provider is nonbinding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the Transmission Provider's system. The written pre-application report request form shall include the information in sections 1.2.2.1 through 1.2.2.8 below to clearly and sufficiently identify

the location of the proposed Point of Interconnection.

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- 1.2.2.1 Project contact information, including name, address, phone number, and email address.
 - 1.2.2.2 Project location (street address with nearby cross streets and town)
 - 1.2.2.3 Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.
 - 1.2.2.4 Generator Type (e.g., solar, wind, combined heat and power, etc.)
 - 1.2.2.5 Size (alternating current kW)
 - 1.2.2.6 Single or three phase generator configuration
 - 1.2.2.7 Stand-alone generator (no onsite load, not including station service – Yes or No?)
 - 1.2.2.8 Is new service requested? Yes or No? If there is existing service, include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change.
- 1.2.3. Using the information provided in the pre-application report request form in section 1.2.2, the Transmission Provider will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. This selection by the Transmission Provider does not necessarily indicate, after application of the screens and/or study, that this would be the circuit the project ultimately connects to. The Interconnection Customer must request additional pre-application reports if information about multiple Points of Interconnection is requested. Subject to section 1.2.4, the pre-application report will include the following information:
- 1.2.3.1 Total capacity (in MW) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Interconnection.

- 1.2.3.2 Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed Point of Interconnection.

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- 1.2.3.3 Aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (i.e., amount of generation in the queue) likely to serve the proposed Point of Interconnection.
- 1.2.3.4 Available capacity (in MW) of substation/area bus or bank and circuit likely to serve the proposed Point of Interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).
- 1.2.3.5 Substation nominal distribution voltage and/or transmission nominal voltage if applicable.
- 1.2.3.6 Nominal distribution circuit voltage at the proposed Point of Interconnection.
- 1.2.3.7 Approximate circuit distance between the proposed Point of Interconnection and the substation.
- 1.2.3.8 Relevant line section(s) actual or estimated peak load and minimum load data, including daytime minimum load as described in section 2.4.4.1.1 below and absolute minimum load, when available.
- 1.2.3.9 Number and rating of protective devices and number and type (standard, bi-directional) of voltage regulating devices between the proposed Point of Interconnection and the substation/area. Identify whether the substation has a load tap changer.
- 1.2.3.10 Number of phases available at the proposed Point of Interconnection. If a single phase, distance from the three-phase circuit.
- 1.2.3.11 Limiting conductor ratings from the proposed Point of Interconnection to the distribution substation.

- 1.2.3.12 Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.
- 1.2.3.13 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting

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capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.

- 1.2.4 The pre-application report need only include existing data. A pre-application report request does not obligate the Transmission Provider to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the Transmission Provider cannot complete all or some of a pre-application report due to lack of available data, the Transmission Provider shall provide the Interconnection Customer with a pre-application report that includes the data that is available. The provision of information on “available capacity” pursuant to section 1.2.3.4 does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the pre-application report may become outdated at the time of the submission of the complete Interconnection Request. Notwithstanding any of the provisions of this section, the Transmission Provider shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

1.3 Interconnection Request

The Interconnection Customer shall submit its Interconnection Request to the Transmission Provider, together with the processing fee or deposit specified in the Interconnection Request. The Interconnection Request shall be date- and time-stamped upon receipt. The original date- and time-stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. The Interconnection Customer shall be notified of receipt by the Transmission Provider within three Business Days of receiving the Interconnection Request. The Transmission Provider shall notify the Interconnection Customer within ten

Business Days of the receipt of the Interconnection Request as to whether the Interconnection Request is complete or incomplete. If the Interconnection Request is incomplete, the Transmission Provider shall provide along with the notice that the Interconnection Request is incomplete, a written list detailing all information that must be provided to complete the Interconnection Request. The Interconnection Customer will

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have ten Business Days after receipt of the notice to submit the listed information or to request an extension of time to provide such information. If the Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Interconnection Request will be deemed withdrawn. An Interconnection Request will be deemed complete upon submission of the listed information to the Transmission Provider.

1.4 Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by the Transmission Provider and the Interconnection Customer may be deemed a withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken.

1.5 Site Control

Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

- 1.5.1 Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;
- 1.5.2 An option to purchase or acquire a leasehold site for such purpose; or
- 1.5.3 An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

1.6 Queue Position

The Transmission Provider shall assign a Queue Position based upon the date- and time-stamp of the Interconnection Request. The Queue Position of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. The Transmission Provider shall maintain a single queue per geographic region. At the Transmission

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Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study.

1.7 Interconnection Requests Submitted Prior to the Effective Date of the SGIP

Nothing in this SGIP affects an Interconnection Customer's Queue Position assigned before the effective date of this SGIP. The Parties agree to complete work on any interconnection study agreement executed prior the effective date of this SGIP in accordance with the terms and conditions of that interconnection study agreement. Any new studies or other additional work will be completed pursuant to this SGIP.

Section 2. Fast Track Process

2.1 Applicability

The Fast Track Process is available to an Interconnection Customer proposing to interconnect its Small Generating Facility with the Transmission Provider's Distribution System if the Small Generating Facility's capacity does not exceed the size limits identified in the table below. Small Generating Facilities below these limits are eligible for Fast Track review. However, Fast Track eligibility is distinct from the Fast Track Process itself, and eligibility does not imply or indicate that a Small Generating Facility will pass the Fast Track screens in section 2.2.1 below or the Supplemental Review screens in section 2.4.4 below.

Fast Track eligibility is determined based upon the generator type, the size of the generator, voltage of the line and the location of and the type of line at the Point of Interconnection. All Small Generating Facilities connecting to lines greater than 69 kilovolt (kV) are ineligible for the Fast Track Process regardless of size. All synchronous and induction machines must be no larger than 2 MW to be eligible for the Fast Track Process, regardless of location. For certified inverter-based systems, the size limit varies according to the voltage of the line at the proposed

Point of Interconnection. Certified inverter-based Small Generating Facilities located within 2.5 electrical circuit miles of a substation and on a mainline (as defined in the table below) are eligible for the Fast Track Process under the higher thresholds according to the table below. In addition to the size threshold, the Interconnection Customer's proposed Small Generating Facility must meet the codes, standards, and certification requirements of Attachments 3 and 4 of these

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procedures, or the Transmission Provider has to have reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

Fast Track Eligibility for Inverter-Based Systems		
Line Voltage	Fast Track Eligibility Regardless of Location	Fast Track Eligibility on a Mainline ¹ and ≤ 2.5 Electrical Circuit Miles from Substation ²
< 5 kV	≤ 500 kW	≤ 500 kW
≥ 5 kV and < 15 kV	≤ 2 MW	≤ 3 MW
≥ 15 kV and < 30 kV	≤ 3 MW	≤ 4 MW
≥ 30 kV and ≤ 69 kV	≤ 4 MW	≤ 5 MW

2.2 Initial Review

Within 15 Business Days after the Transmission Provider notifies the Interconnection Customer it has received a complete Interconnection Request, the Transmission Provider shall perform an initial review using the screens set forth below, shall notify the Interconnection Customer of the results, and include with the notification copies of the analysis and data underlying the Transmission Provider's determinations under the screens.

2.2.1 Screens

2.2.1.1 The proposed Small Generating Facility's Point of Interconnection must be on a portion of the Transmission

Provider's Distribution System that is subject to the Tariff.

¹ For purposes of this table, a mainline is the three-phase backbone of a circuit. It will typically constitute lines with wire sizes of 4/0 American wire gauge, 336.4 kcmil, 397.5 kcmil, 477 kcmil and 795 kcmil.

² An Interconnection Customer can determine this information about its proposed interconnection location in advance by requesting a pre-application report pursuant to section 1.2.

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- 2.2.1.2 For interconnection of a proposed Small Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Small Generating Facility, on the circuit shall not exceed 15 % of the line section annual peak load as most recently measured at the substation. A line section is that portion of a Transmission Provider's electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.
- 2.2.1.3 For interconnection of a proposed Small Generating Facility to the load side of spot network protectors, the proposed Small Generating Facility must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, shall not exceed the smaller of 5 % of a spot network's maximum load or 50 kW.³
- 2.2.1.4 The proposed Small Generating Facility, in aggregation with other generation on the distribution circuit, shall not contribute more than 10 % to the distribution circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.
- 2.2.1.5 The proposed Small Generating Facility, in aggregate with other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line

reclosers), or Interconnection Customer equipment on the system to exceed 87.5 % of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds 87.5 % of the short circuit interrupting capability.

³ A spot network is a type of distribution system found within modern commercial buildings to provide high reliability of service to a single customer. (Standard Handbook for Electrical Engineers, 11th edition, Donald Fink, McGraw Hill Book Company)

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2.2.1.6 Using the table below, determine the type of interconnection to a primary distribution line. This screen includes a review of the type of electrical service provided to the Interconnecting Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on the Transmission Provider's electric power system due to a loss of ground during the operating time of any anti-islanding function.

Primary Distribution Line Type	Type of Interconnection to Primary Distribution Line	Result/Criteria
Three-phase, three wire	3-phase or single phase, phase-to-phase	Pass screen
Three-phase, four wire	Effectively-grounded 3 phase or Single-phase, line-to-neutral	Pass screen

2.2.1.7 If the proposed Small Generating Facility is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed Small Generating Facility, shall not exceed 20 kW.

2.2.1.8 If the proposed Small Generating Facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the

two sides of the 240 volt service of more than 20 % of the nameplate rating of the service transformer.

- 2.2.1.9 The Small Generating Facility, in aggregate with other generation interconnected to the transmission side of a substation transformer feeding the circuit where the Small Generating Facility proposes to interconnect shall not exceed 10 MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (e.g., three or four transmission busses from the point of interconnection).

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- 2.2.1.10 No construction of facilities by the Transmission Provider on its own system shall be required to accommodate the Small Generating Facility.
- 2.2.2 If the proposed interconnection passes the screens, the Interconnection Request shall be approved and the Transmission Provider will provide the Interconnection Customer an executable interconnection agreement within five Business Days after the determination.
- 2.2.3 If the proposed interconnection fails the screens, but the Transmission Provider determines that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards, the Transmission Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days after the determination.
- 2.2.4 If the proposed interconnection fails the screens, and the Transmission Provider does not or cannot determine from the initial review that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless the Interconnection Customer is willing to consider minor modifications or further study, the Transmission Provider

shall provide the Interconnection Customer with the opportunity to attend a customer options meeting.

2.3 Customer Options Meeting

If the Transmission Provider determines the Interconnection Request cannot be approved without (1) minor modifications at minimal cost, (2) a supplemental study or other additional studies or actions, or (3) incurring significant cost to address safety, reliability, or power quality problems, the Transmission Provider shall notify the Interconnection Customer of that determination within five Business Days after the determination and provide copies of all data and analyses underlying its conclusion. Within ten Business Days of the Transmission Provider's determination, the Transmission Provider shall offer to convene a customer options meeting with the Transmission Provider to review possible

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Interconnection Customer facility modifications or the screen analysis and related results, to determine what further steps are needed to permit the Small Generating Facility to be connected safely and reliably. At the time of notification of the Transmission Provider's determination, or at the customer options meeting, the Transmission Provider shall:

- 2.3.1 Offer to perform facility modifications or minor modifications to the Transmission Provider's electric system (e.g., changing meters, fuses, relay settings) and provide a non-binding good faith estimate of the limited cost to make such modifications to the Transmission Provider's electric system. If the Interconnection Customer agrees to pay for the modifications to the Transmission Provider's electric system, the Transmission Provider will provide the Interconnection Customer with an executable interconnection agreement within ten Business Days of the customer options meeting; or
- 2.3.2 Offer to perform a supplemental review in accordance with section 2.4 and provide a non-binding good faith estimate of the costs of such review; or
- 2.3.3 Obtain the Interconnection Customer's agreement to continue evaluating the Interconnection Request under the section 3 Study Process.

2.4 Supplemental Review

- 2.4.1 To accept the offer of a supplemental review, the Interconnection Customer shall agree in writing and submit a deposit for the estimated costs of the supplemental review in the amount of the Transmission Provider's good faith estimate of the costs of such review, both within 15 Business Days of the offer. If the written agreement and deposit have not been received by the Transmission Provider within that timeframe, the Interconnection Request shall continue to be evaluated under the section 3 Study Process unless it is withdrawn by the Interconnection Customer.
- 2.4.2 The Interconnection Customer may specify the order in which the Transmission Provider will complete the screens in section 2.4.4.
- 2.4.3 The Interconnection Customer shall be responsible for the Transmission Provider's actual costs for conducting the supplemental review. The Interconnection Customer must pay any review costs that exceed the deposit within 20 Business Days of

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receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the Transmission Provider will return such excess within 20 Business Days of the invoice without interest.

- 2.4.4 Within 30 Business Days following receipt of the deposit for a supplemental review, the Transmission Provider shall (1) perform a supplemental review using the screens set forth below; (2) notify in writing the Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying the Transmission Provider's determinations under the screens. Unless the Interconnection Customer provided instructions for how to respond to the failure of any of the supplemental review screens below at the time the Interconnection Customer accepted the offer of supplemental review, the Transmission Provider shall notify the Interconnection Customer following the failure of any of the screens, or if it is unable to perform the screen in section 2.4.4.1, within two Business Days of making such determination to obtain the Interconnection Customer's permission to: (1) continue evaluating the proposed interconnection under this section 2.4.4; (2) terminate the supplemental review and continue evaluating the Small

Generating Facility under section 3; or (3) terminate the supplemental review upon withdrawal of the Interconnection Request by the Interconnection Customer.

2.4.4.1 Minimum Load Screen: Where 12 months of line section minimum load data (including onsite load but not station service load served by the proposed Small Generating Facility) are available, can be calculated, can be estimated from existing data, or determined from a power flow model, the aggregate Generating Facility capacity on the line section is less than 100% of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the proposed Small Generating Facility. If minimum load data is not available, or cannot be calculated, estimated or determined, the Transmission Provider shall include the reason(s) that it is unable to calculate, estimate or

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determine minimum load in its supplemental review results notification under section 2.4.4.

- 2.4.4.1.1 The type of generation used by the proposed Small Generating Facility will be taken into account when calculating, estimating, or determining circuit or line section minimum load relevant for the application of screen 2.4.4.1. Solar photovoltaic (PV) generation systems with no battery storage use daytime minimum load (i.e. 10 a.m. to 4 p.m. for fixed panel systems and 8 a.m. to 6 p.m. for PV systems utilizing tracking systems), while all other generation uses absolute minimum load.
- 2.4.4.1.2 When this screen is being applied to a Small Generating Facility that serves some station service load, only the net injection into the Transmission Provider's electric system will be

considered as part of the aggregate generation.

2.4.4.1.3 Transmission Provider will not consider as part of the aggregate generation for purposes of this screen generating facility capacity known to be already reflected in the minimum load data.

2.4.4.2 Voltage and Power Quality Screen: In aggregate with existing generation on the line section: (1) the voltage regulation on the line section can be maintained in compliance with relevant requirements under all system conditions; (2) the voltage fluctuation is within acceptable limits as defined by Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or utility practice similar to IEEE Standard 1453; and (3) the harmonic levels meet IEEE Standard 519 limits.

2.4.4.3 Safety and Reliability Screen: The location of the proposed Small Generating Facility and the aggregate generation

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capacity on the line section do not create impacts to safety or reliability that cannot be adequately addressed without application of the Study Process. The Transmission Provider shall give due consideration to the following and other factors in determining potential impacts to safety and reliability in applying this screen.

2.4.4.3.1 Whether the line section has significant minimum loading levels dominated by a small number of customers (e.g., several large commercial customers).

2.4.4.3.2 Whether the loading along the line section is uniform or even.

2.4.4.3.3 Whether the proposed Small Generating Facility is located in close proximity to the substation (i.e., less than 2.5 electrical circuit miles), and

whether the line section from the substation to the Point of Interconnection is a Mainline rated for normal and emergency ampacity.

2.4.4.3.4 Whether the proposed Small Generating Facility incorporates a time delay function to prevent reconnection of the generator to the system until system voltage and frequency are within normal limits for a prescribed time.

2.4.4.3.5 Whether operational flexibility is reduced by the proposed Small Generating Facility, such that transfer of the line section(s) of the Small Generating Facility to a neighboring distribution circuit/substation may trigger overloads or voltage issues.

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2.4.4.3.6 Whether the proposed Small Generating Facility employs equipment or systems certified by a recognized standards organization to address technical issues such as, but not limited to, islanding, reverse power flow, or voltage quality.

2.4.5 If the proposed interconnection passes the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, the Interconnection Request shall be approved and the Transmission Provider will provide the Interconnection Customer with an executable interconnection agreement within the timeframes established in sections 2.4.5.1 and 2.4.5.2 below. If the proposed interconnection fails any of the supplemental review screens and the Interconnection Customer does not withdraw its Interconnection Request, it shall continue to be evaluated under the section 3 Study Process

consistent with section 2.4.5.3 below.

- 2.4.5.1 If the proposed interconnection passes the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above and does not require construction of facilities by the Transmission Provider on its own system, the interconnection agreement shall be provided within ten Business Days after the notification of the supplemental review results.
- 2.4.5.2 If interconnection facilities or minor modifications to the Transmission Provider's system are required for the proposed interconnection to pass the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, and the Interconnection Customer agrees to pay for the modifications to the Transmission Provider's electric system, the interconnection agreement, along with a non-binding good faith estimate for the interconnection facilities and/or minor modifications, shall be provided to the Interconnection Customer within 15 Business Days after receiving written notification of the supplemental review results.

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- 2.4.5.3 If the proposed interconnection would require more than interconnection facilities or minor modifications to the Transmission Provider's system to pass the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, the Transmission Provider shall notify the Interconnection Customer, at the same time it notifies the Interconnection Customer with the supplemental review results, that the Interconnection Request shall be evaluated under the section 3 Study Process unless the Interconnection Customer withdraws its Small Generating Facility.

Section 3. Study Process

3.1 Applicability

The Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with the Transmission Provider's Transmission System or Distribution System if the Small Generating Facility (1) is larger than 2 MW but no larger than 20 MW, (2) is not certified, or (3) is certified but did not pass the Fast Track Process or the 10 kW Inverter Process.

3.2 Scoping Meeting

- 3.2.1 A scoping meeting will be held within ten Business Days after the Interconnection Request is deemed complete, or as otherwise mutually agreed to by the Parties. The Transmission Provider and the Interconnection Customer will bring to the meeting personnel, including system engineers and other resources as may be reasonably required to accomplish the purpose of the meeting.
- 3.2.2 The purpose of the scoping meeting is to discuss the Interconnection Request and review existing studies relevant to the Interconnection Request. The Parties shall further discuss whether the Transmission Provider should perform a feasibility study or proceed directly to a system impact study, or a facilities study, or an interconnection agreement. If the Parties agree that a feasibility study should be performed, the Transmission Provider shall provide the Interconnection Customer, as soon as possible,

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but not later than five Business Days after the scoping meeting, a feasibility study agreement (Attachment 6) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

- 3.2.3 The scoping meeting may be omitted by mutual agreement. In order to remain in consideration for interconnection, an Interconnection Customer who has requested a feasibility study must return the executed feasibility study agreement within 15 Business Days. If the Parties agree not to perform a feasibility study, the Transmission Provider shall provide the Interconnection Customer, no later than five Business Days after the scoping meeting, a system impact study agreement (Attachment 7)

including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

3.3 Feasibility Study

- 3.3.1 The feasibility study shall identify any potential adverse system impacts that would result from the interconnection of the Small Generating Facility.
- 3.3.2 A deposit of the lesser of 50 percent of the good faith estimated feasibility study costs or earnest money of \$1,000 may be required from the Interconnection Customer.
- 3.3.3 The scope of and cost responsibilities for the feasibility study are described in the attached feasibility study agreement (Attachment 6).
- 3.3.4 If the feasibility study shows no potential for adverse system impacts, the Transmission Provider shall send the Interconnection Customer a facilities study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study. If no additional facilities are required, the Transmission Provider shall send the Interconnection Customer an executable interconnection agreement within five Business Days.
- 3.3.5 If the feasibility study shows the potential for adverse system impacts, the review process shall proceed to the appropriate system impact study(s).

3.4 System Impact Study

- 3.4.1 A system impact study shall identify and detail the electric system impacts that would result if the proposed Small Generating Facility were

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interconnected without project modifications or electric system modifications, focusing on the adverse system impacts identified in the feasibility study, or to study potential impacts, including but not limited to those identified in the scoping meeting. A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the electric system.

- 3.4.2 If no transmission system impact study is required, but potential electric power Distribution System adverse system impacts are identified in the scoping meeting or shown in the feasibility study, a distribution system

impact study must be performed. The Transmission Provider shall send the Interconnection Customer a distribution system impact study agreement within 15 Business Days of transmittal of the feasibility study report, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or following the scoping meeting if no feasibility study is to be performed.

- 3.4.3 In instances where the feasibility study or the distribution system impact study shows potential for transmission system adverse system impacts, within five Business Days following transmittal of the feasibility study report, the Transmission Provider shall send the Interconnection Customer a transmission system impact study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, if such a study is required.
- 3.4.4 If a transmission system impact study is not required, but electric power Distribution System adverse system impacts are shown by the feasibility study to be possible and no distribution system impact study has been conducted, the Transmission Provider shall send the Interconnection Customer a distribution system impact study agreement.
- 3.4.5 If the feasibility study shows no potential for transmission system or Distribution System adverse system impacts, the Transmission Provider shall send the Interconnection Customer either a facilities study agreement (Attachment 8), including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or an executable interconnection agreement, as applicable.

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- 3.4.6 In order to remain under consideration for interconnection, the Interconnection Customer must return executed system impact study agreements, if applicable, within 30 Business Days.
- 3.4.7 A deposit of the good faith estimated costs for each system impact study may be required from the Interconnection Customer.
- 3.4.8 The scope of and cost responsibilities for a system impact study are described in the attached system impact study agreement.

3.4.9 Where transmission systems and Distribution Systems have separate owners, such as is the case with transmission-dependent utilities ("TDUs") – whether investor-owned or not – the Interconnection Customer may apply to the nearest Transmission Provider (Transmission Owner, Regional Transmission Operator, or Independent Transmission Provider) providing transmission service to the TDU to request project coordination. Affected Systems shall participate in the study and provide all information necessary to prepare the study.

3.5 Facilities Study

- 3.5.1 Once the required system impact study(s) is completed, a system impact study report shall be prepared and transmitted to the Interconnection Customer along with a facilities study agreement within five Business Days, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study. In the case where one or both impact studies are determined to be unnecessary, a notice of the fact shall be transmitted to the Interconnection Customer within the same timeframe.
- 3.5.2 In order to remain under consideration for interconnection, or, as appropriate, in the Transmission Provider's interconnection queue, the Interconnection Customer must return the executed facilities study agreement or a request for an extension of time within 30 Business Days.
- 3.5.3 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).

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- 3.5.4 Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. The Transmission Provider may contract with consultants to perform activities required under the facilities study agreement. The Interconnection Customer and the Transmission Provider may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to

acceptance by the Transmission Provider, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, the Transmission Provider shall make sufficient information available to the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.

- 3.5.5 A deposit of the good faith estimated costs for the facilities study may be required from the Interconnection Customer.
- 3.5.6 The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement.
- 3.5.7 Upon completion of the facilities study, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, the Transmission Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days.

Section 4. Provisions that Apply to All Interconnection Requests

4.1 Reasonable Efforts

The Transmission Provider shall make reasonable efforts to meet all time frames provided in these procedures unless the Transmission Provider and the Interconnection Customer agree to a different schedule. If the Transmission Provider cannot meet a deadline provided herein, it shall notify the Interconnection Customer, explain the reason for the failure to meet the deadline,

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and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

4.2 Disputes

- 4.2.1 The Parties agree to attempt to resolve all disputes arising out of the

interconnection process according to the provisions of this article.

- 4.2.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 4.2.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 4.2.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 4.2.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 4.2.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of these procedures.

4.3 Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with Federal Energy Regulatory Commission, state, or local regulatory requirements or the Transmission Provider's specifications.

4.4 Commissioning

Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The Transmission

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Provider must be given at least five Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

4.5. Confidentiality

- 4.5.1 Confidential information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of these procedures all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such.
- 4.5.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce these procedures. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under these procedures, or to fulfill legal or regulatory requirements.
- 4.5.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
- 4.5.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 4.5.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to these procedures, the Party shall provide the requested information to FERC, within the time provided for in

be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC. The Party shall notify the other Party when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

4.6 Comparability

The Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this document. The Transmission Provider shall use the same reasonable efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Small Generating Facility is owned or operated by the Transmission Provider, its subsidiaries or affiliates, or others.

4.7 Record Retention

The Transmission Provider shall maintain for three years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests.

4.8 Interconnection Agreement

After receiving an interconnection agreement from the Transmission Provider, the Interconnection Customer shall have 30 Business Days or another mutually agreeable timeframe to sign and return the interconnection agreement or request that the Transmission Provider file an unexecuted interconnection agreement with the Federal Energy Regulatory Commission. If the Interconnection Customer does not sign the interconnection agreement, or ask that it be filed unexecuted by the Transmission Provider within 30 Business Days, the Interconnection Request shall be deemed withdrawn. After the interconnection agreement is signed by the

Parties, the interconnection of the Small Generating Facility shall proceed under the provisions of the interconnection agreement.

4.9 Coordination with Affected Systems

The Transmission Provider shall coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in these procedures. The Transmission Provider will include such Affected System operators in all meetings held with the Interconnection Customer as required by these procedures. The Interconnection Customer will cooperate with the Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with the Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

4.10 Capacity of the Small Generating Facility

- 4.10.1 If the Interconnection Request is for an increase in capacity for an existing Small Generating Facility, the Interconnection Request shall be evaluated on the basis of the new total capacity of the Small Generating Facility.
- 4.10.2 If the Interconnection Request is for a Small Generating Facility that includes multiple energy production devices at a site for which the Interconnection Customer seeks a single Point of Interconnection, the Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple devices.
- 4.10.3 The Interconnection Request shall be evaluated using the maximum capacity that the Small Generating Facility is capable of injecting into the Transmission Provider's electric system. However, if the maximum capacity that the Small Generating Facility is capable of injecting into the Transmission Provider's electric system is limited (e.g., through use of a control system, power relay(s), or other similar device settings or adjustments), then the Interconnection

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Customer must obtain the Transmission Provider's agreement, with such agreement not to be unreasonably withheld, that the manner in which the Interconnection Customer proposes to implement such a limit will not adversely affect the safety and reliability of the Transmission Provider's system. If the Transmission Provider does not so agree, then the Interconnection Request must be withdrawn or revised to specify the maximum capacity that the Small Generating Facility is capable of injecting into the Transmission Provider's electric system without such limitations. Furthermore, nothing in this section shall prevent a Transmission Provider from considering an output higher than the limited output, if appropriate, when evaluating system protection impacts.

Attachment 1

Glossary of Terms

10 kW Inverter Process – The procedure for evaluating an Interconnection Request for a certified inverter-based Small Generating Facility no larger than 10 kW that uses the section 2 screens. The application process uses an all-in-one document that includes a simplified Interconnection Request, simplified procedures, and a brief set of terms and conditions. See SGIP Attachment 5.

Affected System – An electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Business Day – Monday through Friday, excluding Federal Holidays.

Distribution System – The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Fast Track Process – The procedure for evaluating an Interconnection Request for a certified Small Generating Facility that meets the eligibility requirements of section 2.1 and includes the section 2 screens, customer options meeting, and optional supplemental review.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and act which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region. SGIP Glossary of Terms

Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.

Interconnection Facilities – The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Resource – Any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service – An Interconnection Service that allows the Interconnection Customer to integrate its Generating Facility with the Transmission Provider's System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades – Additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System

to accommodate the interconnection with the Small Generating Facility to the

SGIP Glossary of Terms

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Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider's Transmission System.

Queue Position – The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Small Generating Facility – The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Study Process – The procedure for evaluating an Interconnection Request that includes the section 3 scoping meeting, feasibility study, system impact study, and facilities study.

Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission System – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

Upgrades – The required additions and modifications to the Transmission Provider's Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

SGIP Glossary of Terms

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Attachment 2
SMALL GENERATOR INTERCONNECTION REQUEST
 (Application Form)

Transmission Provider: _____

Designated Contact Person: _____

Address: _____

Telephone Number: _____

Fax: _____

E-Mail Address: _____

An Interconnection Request is considered complete when it provides all applicable and correct information required below. Per SGIP section 1.5, documentation of site control must be submitted with the Interconnection Request.

Preamble and Instructions

An Interconnection Customer who requests a Federal Energy Regulatory Commission jurisdictional interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the Transmission Provider.

Processing Fee or Deposit:

If the Interconnection Request is submitted under the Fast Track Process, the non-refundable processing fee is \$500.

If the Interconnection Request is submitted under the Study Process, whether a new submission or an Interconnection Request that did not pass the Fast Track Process, the Interconnection Customer shall submit to the Transmission Provider a deposit not to exceed \$1,000 towards the cost of the feasibility study.

Interconnection Customer Information

Legal Name of the Interconnection Customer (or, if an individual, individual's name)

Name: _____

Contact Person: _____ Small
 Generator Interconnection Request

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Mailing Address: _____

City: _____ State: _____ Zip: _____

Facility Location (if different from above): _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Alternative Contact Information (if different from the Interconnection Customer)

Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Application is for: _____ New Small Generating Facility

_____ Capacity addition to Existing Small Generating Facility

If capacity addition to existing facility, please describe: _____

Will the Small Generating Facility be used for any of the following?

Net Metering? Yes ____ No ____

To Supply Power to the Interconnection Customer? Yes ____ No ____

To Supply Power to Others? Yes ____ No ____

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

(Local Electric Service Provider*)
Number*)

(Existing Account

[*To be provided by the Interconnection Customer if the local electric service provider is

different from the Transmission Provider]

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Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Requested Point of Interconnection: _____

Interconnection Customer's Requested In-Service Date: _____

Small Generating Facility Information

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: ☐ Solar ☐ Wind ☐ Hydro ☐ Hydro Type (e.g. Run-of-River): _____
☐ Diesel ☐ Natural Gas ☐ Fuel Oil ☐ Other (state type) _____

Prime Mover: ☐ Fuel Cell ☐ Recip Engine ☐ Gas Turb ☐ Steam Turb
☐ Microturbine ☐ PV ☐ Other

Type of Generator: ☐ Synchronous ☐ Induction ☐ Inverter

Generator Nameplate Rating: _____ kW (Typical) Generator Nameplate kVAR: _____

Interconnection Customer or Customer-Site Load: _____ kW (if none, so state)

Typical Reactive Load (if known): _____

Maximum Physical Export Capability Requested: _____ kW

List components of the Small Generating Facility equipment
package that are currently certified: Equipment Type Certifying Entity

- 1.
- 2.
- 3.
- 4.
- 5.

Is the prime mover compatible with the certified protective relay package? ____ Yes
 ____ No **Small Generator Interconnection Request** - 3 -

Generator (or solar collector) Manufacturer, Model Name & Number: _____

Version Number: _____

Nameplate Output Power Rating in kW: (Summer) _____ (Winter)

Nameplate Output Power Rating in kVA: (Summer) _____ (Winter)

Individual Generator Power Factor

Rated Power Factor: Leading: _____ Lagging: _____

Total Number of Generators in wind farm to be interconnected pursuant to this

Interconnection Request: _____ Elevation: _____ ____ Single phase ____ Three phase

Inverter Manufacturer, Model Name & Number (if used): _____

List of adjustable set points for the protective equipment or software: _____

Note: A completed Power Systems Load Flow data sheet must be supplied with the Interconnection Request.

Small Generating Facility Characteristic Data (for inverter-based machines)

Max design fault contribution current: _____ Instantaneous or RMS ____ ?

Harmonics Characteristics: _____

Start-up requirements: _____

Small Generating Facility Characteristic Data (for rotating machines)

RPM Frequency: _____

(*) Neutral Grounding Resistor (If Applicable): _____

Synchronous Generators:

Direct Axis Synchronous Reactance, X_d : _____ P.U.

Direct Axis Transient Reactance, X'_d : _____ P.U.

Direct Axis Subtransient Reactance, X''_d : _____ P.U.

Negative Sequence Reactance, X_2 : _____ P.U.

Zero Sequence Reactance, X_0 : _____

P.U.Small

Generator Interconnection Request

- 4 -

KVA Base: _____

Field Volts: _____

Field Amperes: _____

Induction Generators:

Motoring Power (kW): _____

I²t or K (Heating Time Constant): _____

Rotor Resistance, R_r : _____

Stator Resistance, R_s : _____

Stator Reactance, X_s : _____

Rotor Reactance, X_r : _____

Magnetizing Reactance, X_m : _____

Short Circuit Reactance, X_d'' : _____

Exciting Current: _____

Temperature Rise: _____

Frame Size: _____

Design Letter: _____

Reactive Power Required In Vars (No Load): _____

Reactive Power Required In Vars (Full Load): _____

Total Rotating Inertia, H: _____ Per Unit on kVA Base

Note: Please contact the Transmission Provider prior to submitting the Interconnection Request to determine if the specified information above is required.

Excitation and Governor System Data for Synchronous Generators Only

Provide appropriate IEEE model block diagram of excitation system, governor system and power system stabilizer (PSS) in accordance with the regional reliability council criteria. A PSS may be determined to be required by applicable studies. A copy of the manufacturer's block diagram may not be substituted.

Interconnection Facilities Information

Will a transformer be used between the generator and the point of common coupling?

☐ Yes ☐ No

Will the transformer be provided by the Interconnection Customer? ☐ Yes ☐ No

Transformer Data (If Applicable, for Interconnection Customer-Owned Transformer):

Is the transformer: ____ single phase ____ three phase? Size: _____ kVA

Transformer Impedance: _____ % on kVA Base

If Three Phase:

Transformer Primary: _____ Volts _____ Delta _____ Wye _____ Wye Grounded

Transformer Secondary: _____ Volts _____ Delta _____ Wye _____ Wye Grounded

Transformer Tertiary: _____ Volts _____ Delta _____ Wye _____ Wye Grounded Small
Generator Interconnection Request - 5 -

Transformer Fuse Data (If Applicable, for Interconnection Customer-Owned Fuse):

(Attach copy of fuse manufacturer's Minimum Melt and Total Clearing Time-Current Curves)

Manufacturer: _____ Type: _____ Size: _____ Speed: _____

Interconnecting Circuit Breaker (if applicable):

Manufacturer: _____ Type: _____

Load Rating (Amps): _____ Interrupting Rating (Amps): _____ Trip Speed (Cycles): _____

Interconnection Protective Relays (If Applicable):

If Microprocessor-Controlled:

List of Functions and Adjustable Setpoints for the protective equipment or software:

	Setpoint Function	Minimum	Maximum
1 .			
2 .			
3 .			
4 .			
5 .			
6 .			

If Discrete Components:

(Enclose Copy of any Proposed Time-Overcurrent Coordination Curves)

Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____

Small Generator Interconnection Request

- 6 -

Current Transformer Data (If Applicable):

(Enclose Copy of Manufacturer's Excitation and Ratio Correction Curves)

Manufacturer: _____

Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____

Manufacturer: _____

Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____

Potential Transformer Data (If Applicable):

Manufacturer: _____

Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____

Manufacturer: _____

Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____

General Information

Enclose copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW. Is One-Line Diagram Enclosed?
 ____ Yes ____ No

Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g., USGS topographic map or other diagram or documentation).

Proposed location of protective interface equipment on property (include address if different from the Interconnection Customer's address) _____

Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Available Documentation Enclosed? ____ Yes ____ No

Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable).

Are Schematic Drawings Enclosed? ____ Yes ____ No

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct.

For Interconnection Customer: _____
 _____ Small Generator Interconnection Request

Date:
 - 7 -

Attachment 3

Certification Codes and Standards

IEEE1547 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity)

UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems

IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems

NFPA 70 (2002), National Electrical Code

IEEE Std C37.90.1-1989 (R1994), IEEE Standard Surge Withstand Capability (SWC) Tests for Protective Relays and Relay Systems

IEEE Std C37.90.2 (1995), IEEE Standard Withstand Capability of Relay Systems to Radiated Electromagnetic Interference from Transceivers

IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers IEEE Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network Protectors

IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low Voltage (1000V and Less) AC Power Circuits

IEEE Std C62.45-1992 (R2002), IEEE Recommended Practice on Surge Testing for Equipment Connected to Low-Voltage (1000V and Less) AC Power Circuits

ANSI C84.1-1995 Electric Power Systems and Equipment – Voltage Ratings (60 Hertz) IEEE Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms NEMA MG 1-1998, Motors and Small Resources, Revision 3

IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems

NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision 1Small Generator

Attachment 4
Certification of Small Generator Equipment Packages

- 1.0 Small Generating Facility equipment proposed for use separately or packaged with other equipment in an interconnection system shall be considered certified for interconnected operation if (1) it has been tested in accordance with industry standards for continuous utility interactive operation in compliance with the appropriate codes and standards referenced below by any Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards listed in SGIP Attachment 3, (2) it has been labeled and is publicly listed by such NRTL at the time of the interconnection application, and (3) such NRTL makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its website and by encouraging such information to be included in the manufacturer's literature accompanying the equipment.
- 2.0 The Interconnection Customer must verify that the intended use of the equipment falls within the use or uses for which the equipment was tested, labeled, and listed by the NRTL.
- 3.0 Certified equipment shall not require further type-test review, testing, or additional equipment to meet the requirements of this interconnection procedure; however, nothing herein shall preclude the need for an on-site commissioning test by the parties to the interconnection nor follow-up production testing by the NRTL.
- 4.0 If the certified equipment package includes only interface components (switchgear, inverters, or other interface devices), then an Interconnection Customer must show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and is consistent with the testing and listing specified for this type of interconnection equipment.
- 5.0 Provided the generator or electric source, when combined with the equipment package, is within the range of capabilities for which it was tested by the NRTL, and does not violate the interface components' labeling and listing performed by the NRTL, no further design review, testing or additional equipment on the customer side of the point of common coupling shall be required to meet the requirements of this interconnection procedure.

Small Generator Certification Process - 1 -

6.0 An equipment package does not include equipment provided by the utility.

7.0 Any equipment package approved and listed in a state by that state's regulatory body for interconnected operation in that state prior to the effective date of these small generator interconnection procedures shall be considered certified under these procedures for use in that state.

Small Generator Certification Process - 2 -

Attachment 5

**Application, Procedures, and Terms and Conditions for Interconnecting
a Certified Inverter-Based Small Generating Facility No
Larger than 10 kW ("10 kW Inverter Process")**

- 1.0 The Interconnection Customer ("Customer") completes the Interconnection Request ("Application") and submits it to the Transmission Provider ("Company").
- 2.0 The Company acknowledges to the Customer receipt of the Application within three Business Days of receipt.
- 3.0 The Company evaluates the Application for completeness and notifies the Customer within ten Business Days of receipt that the Application is or is not complete and, if not, advises what material is missing.
- 4.0 The Company verifies that the Small Generating Facility can be interconnected safely and reliably using the screens contained in the Fast Track Process in the Small Generator Interconnection Procedures (SGIP). The Company has 15 Business Days to complete this process. Unless the Company determines and demonstrates that the Small Generating Facility cannot be interconnected safely and reliably, the Company approves the Application and returns it to the Customer. Note to Customer: Please check with the Company before submitting the Application if disconnection equipment is required.
- 5.0 After installation, the Customer returns the Certificate of Completion to the Company. Prior to parallel operation, the Company may inspect the Small Generating Facility for compliance with standards which may include a witness test, and may schedule appropriate metering replacement, if necessary.
- 6.0 The Company notifies the Customer in writing that interconnection of the Small Generating Facility is authorized. If the witness test is not satisfactory, the Company has the right to disconnect the Small Generating Facility. The Customer has no right to operate in parallel until a witness test has been performed, or previously waived on the Application. The Company is obligated to complete this witness test within ten Business Days of the receipt of the Certificate of Completion. If the Company does not inspect within ten Business Days or by mutual agreement of the Parties, the witness test is deemed waived.
- 7.0 Contact Information – The Customer must provide the contact information for the legal applicant (i.e., the Interconnection Customer). If another entity is responsible for interfacing with the Company, that contact information must be provided on the Application.Small

Generator 10 kW Inverter Process - 1 -

8.0 Ownership Information – Enter the legal names of the owner(s) of the Small Generating Facility. Include the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either.

9.0 UL1741 Listed – This standard ("Inverters, Converters, and Controllers for Use in Independent Power Systems") addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers submit their equipment to a Nationally Recognized Testing Laboratory (NRTL) that verifies compliance with UL1741. This "listing" is then marked on the equipment and supporting documentation. Small Generator 10 kW Inverter Process - 2 -

Application for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10kW

This Application is considered complete when it provides all applicable and correct information required below. Per SGIP section 1.5, documentation of site control must be submitted with the Interconnection Request. Additional information to evaluate the Application may be required.

Processing Fee

A non-refundable processing fee of \$100 must accompany this Application.

Interconnection Customer

Name: _____

Contact Person: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Contact (if different from Interconnection Customer)

Name: _____

Contact Person: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Owner of the facility (include % ownership by any electric utility): _____

Small Generating Facility Information

Location (if different from above): _____

Electric Service Company: _____

Account Number: _____ Small Generator

10 kW Inverter Process - 3 -
Inverter Manufacturer: _____ Model: _____

Nameplate Rating: _____(kW) _____(kVA) _____(AC Volts)

Single Phase _____ Three Phase _____

System Design Capacity: _____ (kW) _____ (kVA)

Prime Mover: _____Photovoltaic _____Reciprocating Engine _____Fuel Cell
_____Turbine _____Other (describe) _____

Energy Source: _____Solar _____Wind _____Hydro _____Diesel _____Natural Gas
_____Fuel Oil _____Other (describe) _____

Is the equipment UL1741 Listed? _____Yes _____No

If Yes, attach manufacturer’s cut-sheet showing UL1741 listing

Estimated Installation Date: _____Estimated In-Service Date: _____

The 10 kW Inverter Process is available only for inverter-based Small Generating Facilities no larger than 10 kW that meet the codes, standards, and certification requirements of Attachments 3 and 4 of the Small Generator Interconnection Procedures (SGIP), or the Transmission Provider has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

List components of the Small Generating Facility equipment package that are currently certified:

	Equipment Type	Certifying Entity
1.		
2.		
3.		
4.		
5.		

Interconnection Customer Signature

I hereby certify that, to the best of my knowledge, the information provided in this Application is true. I agree to abide by the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return the Certificate of Completion when the Small Generating Facility has been installed.

Signed: _____

Title: _____ Date: _____

Small Generator 10 kW Inverter Process - 4 -

Contingent Approval to Interconnect the Small Generating Facility

(For Company use only)

Interconnection of the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return of the Certificate of Completion.

Company Signature: _____

Title: _____ Date: _____

Application ID number: _____

Company waives inspection/witness test? Yes___ No___

Small Generator 10 kW Inverter Process - 5 -

Small Generating Facility Certificate of Completion

Is the Small Generating Facility owner-installed? Yes _____ No _____

Interconnection Customer: _____

Contact Person: _____

Address: _____

Location of the Small Generating Facility (if different from above): _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Electrician:

Name: _____

Address: _____

Location of the Small Generating Facility (if different from above): _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

License number: _____

Date Approval to Install Facility granted by the Company: _____

Application ID number: _____

Inspection:

The Small Generating Facility has been installed and inspected in compliance with the local building/electrical code of: _____

Signed (Local electrical wiring inspector, or attach signed electrical inspection):

Print Name: _____

Date: _____ Small Generator 10 kW Inverter Process

- 6 -

As a condition of interconnection, you are required to send/fax a copy of this form along with a copy of the signed electrical permit to (insert Company information below):

Name: _____

Company: _____

Address: _____

City, State ZIP: _____

Fax: _____

.....

Approval to Energize the Small Generating Facility (For Company use only)

Energizing the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

Company Signature: _____

Title: _____ Date: _____

Small Generator 10 kW Inverter Process - 7 -

**Terms and Conditions for Interconnecting an Inverter-Based
Small Generating Facility No Larger than 10kW**

1.0 Construction of the Facility

The Interconnection Customer (the "Customer") may proceed to construct (including operational testing not to exceed two hours) the Small Generating Facility when the Transmission Provider (the "Company") approves the Interconnection Request (the "Application") and returns it to the Customer.

2.0 Interconnection and Operation

The Customer may operate Small Generating Facility and interconnect with the Company's electric system once all of the following have occurred:

- 2.1 Upon completing construction, the Customer will cause the Small Generating Facility to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction, and
- 2.2 The Customer returns the Certificate of Completion to the Company, and
- 2.3 The Company has either:
 - 2.3.1 Completed its inspection of the Small Generating Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be conducted by the Company, at its own expense, within ten Business Days after receipt of the Certificate of Completion and shall take place at a time agreeable to the Parties. The Company shall provide a written statement that the Small Generating Facility has passed inspection or shall notify the Customer of what steps it must take to pass inspection as soon as practicable after the inspection takes place; or
 - 2.3.2 If the Company does not schedule an inspection of the Small Generating Facility within ten business days after receiving the Certificate of Completion, the witness test is deemed waived (unless the Parties agree otherwise); or
 - 2.3.3 The Company waives the right to inspect the Small Generating Facility.
- 2.4 The Company has the right to disconnect the Small Generating Facility in the event of improper installation or failure to return the Certificate of Completion.

2.5 Revenue quality metering equipment must be installed and tested in accordance with applicable ANSI standards.

Small Generator 10 kW Inverter Process - 8 -

3.0 Safe Operations and Maintenance

The Customer shall be fully responsible to operate, maintain, and repair the Small Generating Facility as required to ensure that it complies at all times with the interconnection standards to which it has been certified.

4.0 Access

The Company shall have access to the disconnect switch (if the disconnect switch is required) and metering equipment of the Small Generating Facility at all times. The Company shall provide reasonable notice to the Customer when possible prior to using its right of access.

5.0 Disconnection

The Company may temporarily disconnect the Small Generating Facility upon the following conditions:

- 5.1 For scheduled outages upon reasonable notice.
- 5.2 For unscheduled outages or emergency conditions.
- 5.3 If the Small Generating Facility does not operate in the manner consistent with these Terms and Conditions.
- 5.4 The Company shall inform the Customer in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection.

6.0 Indemnification

The Parties shall at all times indemnify, defend, and save the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.0 Insurance

The Parties agree to follow all applicable insurance requirements imposed by the state in which the Point of Interconnection is located. All insurance policies must be maintained with insurers authorized to do business in that state.

8.0 Limitation of Liability

Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or

omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 6.0.

Small Generator 10 kW Inverter Process - 9 -

9.0 Termination

The agreement to operate in parallel may be terminated under the following conditions:

9.1 By the Customer

By providing written notice to the Company.

9.2 By the Company

If the Small Generating Facility fails to operate for any consecutive 12 month period or the Customer fails to remedy a violation of these Terms and Conditions.

9.3 Permanent Disconnection

In the event this Agreement is terminated, the Company shall have the right to disconnect its facilities or direct the Customer to disconnect its Small Generating Facility.

9.4 Survival Rights

This Agreement shall continue in effect after termination to the extent necessary to allow or require either Party to fulfill rights or obligations that arose under the Agreement.

10.0 Assignment/Transfer of Ownership of the Facility

This Agreement shall survive the transfer of ownership of the Small Generating Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies the Company.

Small Generator 10 kW Inverter Process - 10 -

Attachment 6
Feasibility Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____
20__ by and between _____,
a _____ organized and existing under the laws of the State of _____,
("Interconnection Customer,") and _____,
a _____ existing under the laws of the State of _____,
("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on _____; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System; and

WHEREAS, Interconnection Customer has requested the Transmission Provider to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed an interconnection feasibility study consistent the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.

SGIP Feasibility Study Agreement - 1 -

- 3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the standard Small Generator Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.
- 5.0 In performing the study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.
- 6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:
 - 6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - 6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - 6.3 Initial review of grounding requirements and electric system protection; and
 - 6.4 Description and non-binding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.
- 7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.

SGIP Feasibility Study Agreement - 2 -

- 8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.
- 9.0 A deposit of the lesser of 50 percent of good faith estimated feasibility study costs or earnest money of \$1,000 may be required from the Interconnection Customer.
- 10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a feasibility study.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.
- 13.0 Governing Law, Regulatory Authority, and Rules
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 14.0 Amendment
The Parties may amend this Agreement by a written instrument duly executed by both Parties.
- 15.0 No Third-Party Beneficiaries
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

SGIP Feasibility Study Agreement - 3 -

16.0 Waiver

16.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

16.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

SGIP Feasibility Study Agreement

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20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

- 20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
- 20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

21.0 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

SGIP Feasibility Study Agreement
[Insert name of Transmission Provider]

- 5 -
[Insert name of Interconnection Customer]

Signed: _____

Signed: _____

Name (Printed):

Name (Printed):

Title: _____

Title: _____

SGIP Feasibility Study Agreement

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**Attachment A to
Feasibility Study Agreement**

Assumptions Used in Conducting the Feasibility Study

The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the scoping meeting held on _____:

- 1) Designation of Point of Interconnection and configuration to be studied.

- 2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Transmission Provider.

SGIP Feasibility Study Agreement - 7 -

Attachment 7
System Impact Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____
20__ by and between _____,
a _____ organized and existing under the laws of the State of
_____, ("Interconnection Customer,") and
_____, a _____
existing under the laws of the State of _____,
("Transmission Provider"). Interconnection Customer and Transmission Provider each may be
referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility
or generating capacity addition to an existing Small Generating Facility consistent with the
Interconnection Request completed by the Interconnection Customer
on _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility
with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a feasibility study and provided the
results of said study to the Interconnection Customer (This recital to be omitted if the Parties
have agreed to forego the feasibility study.); and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform
a system impact study(s) to assess the impact of interconnecting the Small Generating Facility
with the Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein
the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have
the meanings indicated or the meanings specified in the standard Small Generator
Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be
performed a system impact study(s) consistent with the standard Small Generator
Interconnection Procedures in accordance with the Open Access Transmission

Tariff.SGIP System Impact Study Agreement - 1 -3.0 The scope of a system impact study shall be subject to the assumptions set forth in Attachment A to this Agreement.

- 4.0 A system impact study will be based upon the results of the feasibility study and the technical information provided by Interconnection Customer in the Interconnection Request. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the system impact study. If the Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the system impact study may be extended.
- 5.0 A system impact study shall consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews, as necessary. A system impact study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. A system impact study shall provide a list of facilities that are required as a result of the Interconnection Request and non-binding good faith estimates of cost responsibility and time to construct.
- 6.0 A distribution system impact study shall incorporate a distribution load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.
- 7.0 Affected Systems may participate in the preparation of a system impact study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment upon a system impact study that covers potential adverse system impacts on their electric systems, and the Transmission Provider has 20 additional Business Days to complete a system impact study requiring review by Affected Systems.SGIP System Impact Study Agreement - 1 -8.0 If the Transmission Provider uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the system impact study shall consider all generating facilities (and with respect to paragraph 8.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the system impact study is commenced –
 - 8.1 Are directly interconnected with the Transmission Provider's electric system; or
 - 8.2 Are interconnected with Affected Systems and may have an impact on the

proposed interconnection; and

- 8.3 Have a pending higher queued Interconnection Request to interconnect with the Transmission Provider's electric system.
- 9.0 A distribution system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 30 Business Days after this Agreement is signed by the Parties. A transmission system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 45 Business Days after this Agreement is signed by the Parties, or in accordance with the Transmission Provider's queuing procedures.
- 10.0 A deposit of the equivalent of the good faith estimated cost of a distribution system impact study and the one half the good faith estimated cost of a transmission system impact study may be required from the Interconnection Customer.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

13.0 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority. SGIP System Impact Study Agreement - 3 -14.0 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

15.0 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

16.0 Waiver

16.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict

performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

- 16.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

- 4 -19.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

- 20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that

in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

21.0 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and SGIP System Impact Study Agreement - 5 -FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider]

[Insert name of Interconnection Customer]

Signed: _____ Signed: _____

Name (Printed):

Name (Printed):

Title: _____ Title: _____ SGIP System
Impact Study Agreement - 6 -

**Attachment A to System
Impact Study Agreement
Assumptions Used in Conducting the System Impact Study**

The system impact study shall be based upon the results of the feasibility study, subject to any modifications in accordance with the standard Small Generator Interconnection Procedures, and the following assumptions:

- 1) Designation of Point of Interconnection and configuration to be studied.

- 2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Transmission Provider.

SGIP System Impact Study Agreement - 7 -

Attachment 8
Facilities Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____
20__ by and between _____,
a _____ organized and existing under the laws of the State of
_____, ("Interconnection Customer,") and
_____, a _____
existing under the laws of the State of _____,
("Transmission Provider"). Interconnection Customer and Transmission Provider each may be
referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer

on _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a system impact study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility with the Transmission Provider's Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Open Access Transmission Tariff.SGIP Facilities Study Agreement - 1 -
- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.
- 4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.
- 5.0 The Transmission Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.
- 6.0 A deposit of the good faith estimated facilities study costs may be required from the Interconnection Customer.

- 7.0 In cases where Upgrades are required, the facilities study must be completed within 45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.
- 8.0 Once the facilities study is completed, a draft facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed and the draft facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.
- 9.0 Interconnection Customer may, within 30 Calendar Days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within 15 Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the

SGIP Facilities Study Agreement - 2 -

Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 4.5 of the standard Small Generator Interconnection Procedures.

- 10.0 Within ten Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.
- 13.0 Governing Law, Regulatory Authority, and Rules
The validity, interpretation and enforcement of this Agreement and each of its provisions

shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

14.0 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

15.0 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

SGIP Facilities Study Agreement - 3 -

16.0 Waiver

16.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

16.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed

an original but all constitute one and the same instrument.

18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

SGIP Facilities Study Agreement - 4 -

20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

21.0 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider]

[Insert name of Interconnection Customer]

Signed _____ Signed _____

Name (Printed):

Name (Printed):

Title _____ Title _____

SGIP Facilities Study Agreement

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**Attachment A to
Facilities Study Agreement**

**Data to Be Provided by the Interconnection Customer
with the Facilities Study Agreement**

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections: _____

Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes _____ No _____

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes _____ No _____

(Please indicate on the one-line diagram).

What type of control system or PLC will be located at the Small Generating Facility?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

SGIP Facilities Study Agreement - 6 -

Line length from interconnection station to Transmission Provider's Transmission System.

Tower number observed in the field. (Painted on tower leg)*:

Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

Is the Small Generating Facility located in Transmission Provider's service area?

Yes _____ No _____

If No, please provide name of local provider:

Please provide the following proposed schedule dates:

Begin Construction

Date: _____

Generator step-up transformers
receive back feed power

Date: _____

Generation Testing

Date: _____

Commercial Operation

Date: _____

SGIP Facilities Study Agreement

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Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Attachment R, Small Generator Interconnection Agreement, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 69

Tariff Record Collation Value: 7650000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

ATTACHMENT R

SMALL GENERATOR

INTERCONNECTION AGREEMENT (SGIA)

(For Generating Facilities No Larger Than 20 MW)

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This Interconnection Agreement ("Agreement") is made and entered into this _____ day of _____, 20__, by _____ ("Transmission Provider"), and _____ ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

Transmission Provider Information

Transmission Provider: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

Interconnection Customer Information

Interconnection Customer: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

Interconnection Customer Application No: _____

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

- 1.1 This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.
- 1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Transmission Provider's Transmission System.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Transmission Provider.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between the Transmission Provider and the Interconnection Customer.

Small Generator Interconnection Agreement (SGIA)

- 1 -

1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 The Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Provider and any Affected Systems.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Transmission Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Provider's Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.
- 1.5.6 The Transmission Provider shall coordinate with all Affected Systems to support the interconnection.
- 1.5.7 The Interconnection Customer shall ensure "frequency ride through" capability and "voltage ride through" capability of its Small Generating Facility. The Interconnection Customer shall enable these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the

system or equipment of the Transmission Provider and any Affected Systems for

Small Generator Interconnection Agreement (SGIA)

- 2 -

a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to section 2.1 of this agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The Small Generating Facility's protective equipment settings shall comply with the Transmission Provider's automatic load-shed program. The Transmission Provider shall review the protective equipment settings to confirm compliance with the automatic load-shed program. The term "ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Provider and any Affected Systems during system disturbances within a range of conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority on a comparable basis. The term "frequency ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Provider and any Affected Systems during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The term "voltage ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Provider and any Affected Systems during system disturbances within a range of under-voltage and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator(s) for the Transmission Provider's Transmission System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the Transmission Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and

data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

Small Generator Interconnection Agreement (SGIA)

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1.8 Reactive Power and Primary Frequency Response

1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all similarly situated synchronous generators in the control area on a comparable basis.

1.8.1.2 Non-Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all similarly situated non-synchronous generators in the control area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

1.8.2 The Transmission Provider is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when the Transmission Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 1.8.1. In addition, if the Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay the Interconnection Customer.

1.8.3 Payments shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior

notice requirement in order to compensate the Interconnection Customer from the time service commenced.

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1.8.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Small Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Small Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Small Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Small Generating Facility’s real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Small Generating Facility’s real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the Transmission System, Interconnection Customer shall operate the Small Generating Facility consistent with the provisions specified in Sections 1.8.4.1 and 1.8.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities.

1.8.4.1 Governor or Equivalent Controls. Whenever the Small Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Small Generating Facility with its governor or

equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that

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provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Small Generating Facility's governor or equivalent controls to a minimum whenever the Small Generating Facility is operated in parallel with the Transmission System.

1.8.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Small Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Small Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Small Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

1.8.4.3 Exemptions. Small Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 1.8.4, 1.8.4.1, and 1.8.4.2 of this Agreement. Small Generating Facilities

that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 1.8.4, but shall be otherwise exempt

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from the operating requirements in Sections 1.8.4, 1.8.4.1, 1.8.4.2, and 1.8.4.4 of this Agreement.

- 1.8.4.4 Electric Storage Resources. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Attachment 5 of its SGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 1.8.4, 1.8.4.1, 1.8.4.2 and 1.8.4.3 of this Agreement. Attachment 5 shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Attachment 5 must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 1.8.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop

and deadband settings requires it to do so and it is technically capable of making such a transition.

- 1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

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2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Transmission Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Transmission Provider may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Transmission Provider a written test report when such testing and inspection is completed.

2.1.2 The Transmission Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Transmission Provider of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Transmission Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Transmission Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Transmission Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Transmission Provider's Transmission System without prior written authorization of the Transmission Provider. The Transmission Provider will provide such authorization once the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable

parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

2.3.1 Upon reasonable notice, the Transmission Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any

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required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Transmission Provider at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Transmission Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Transmission Provider shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Transmission Provider 20 Business Days written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission Provider's Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this

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SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.

3.3.4 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.5 The provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions -- "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, the Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Transmission Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Transmission Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the Transmission Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Transmission Provider's Transmission System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Transmission Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Transmission Provider's Transmission System when necessary for routine maintenance, construction, and repairs on the Transmission Provider's Transmission System. The Transmission Provider shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The Transmission Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection

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3.4.3 Forced Outages

During any forced outage, the Transmission Provider may suspend interconnection service to effect immediate repairs on the Transmission Provider's Transmission System. The Transmission Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Transmission Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Transmission Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Transmission Provider's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Transmission Provider may disconnect the Small Generating Facility. The Transmission Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Transmission Provider before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Transmission Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Transmission Provider's Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

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4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Transmission Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Transmission Provider.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Transmission Provider's Interconnection Facilities.

4.2 Distribution Upgrades

The Transmission Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Transmission Provider or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Transmission Provider elects to pay for Network

Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

5.2.1 Repayment of Amounts Advanced for Network Upgrades

The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Transmission Provider and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be paid to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Transmission Provider's Tariff and Affected

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System's Tariff for transmission services with respect to the Small Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, the Interconnection Customer, the Transmission Provider, and any applicable Affected System operators may adopt any alternative payment schedule that is mutually agreeable so long as the Transmission Provider and said Affected System operators take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Transmission Provider or any applicable Affected System operators will continue to provide payments to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.

5.2.1.2 If the Small Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Transmission Provider and Affected System operator shall at that time reimburse the Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.

5.3 Special Provisions for Affected Systems

Unless the Transmission Provider provides, under this Agreement, for the repayment of amounts advanced to any applicable Affected System operators for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other

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agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Small Generating Facility.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Transmission Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of the Transmission Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Transmission Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Transmission Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Transmission Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Transmission Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Transmission Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

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6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Transmission Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Transmission Provider, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Transmission Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Transmission Provider under this Agreement during its term. In addition:

6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Transmission Provider and must specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

7.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

7.1.1 Either Party may assign this Agreement without the consent of the other Party to

any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Transmission Provider of any such assignment;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Transmission Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Transmission Provider of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as

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the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.

7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying

Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

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7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure

7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure

Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six

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months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Transmission Provider, except that the Interconnection Customer shall show proof of insurance to the Transmission Provider no later than ten Business Days prior to the

anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

- 8.2 The Transmission Provider agrees to maintain general liability insurance or self-insurance consistent with the Transmission Provider's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Transmission Provider's liabilities undertaken pursuant to this Agreement.
- 8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and

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metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.

- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

- 9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the

Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

Article 10. Disputes

10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.

10.3 If the dispute has not been resolved within two Business Days after receipt of the Notice,

Small Generator Interconnection Agreement (SGIA)

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either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.

10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.

10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.

10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article 11. Taxes

11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.

11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties, or under article 12.12 of this Agreement.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

Small Generator Interconnection Agreement (SGIA)

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12.4 Waiver

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed

an original but all constitute one and the same instrument.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware

Small Generator Interconnection Agreement (SGIA)

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and software is essential to ensure day-to-day reliability and operational security. FERC expects all Transmission Providers, market participants, and Interconnection Customers interconnected to electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the

performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the

Small Generator Interconnection Agreement (SGIA)

- 22 -

Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national carrier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

If to the Transmission Provider:

Transmission Provider: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____

 Transmission Provider: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____

13.3 Alternative Forms of Notice

Small Generator Interconnection Agreement (SGIA)

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Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

If to the Transmission Provider:

Transmission Provider: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations

and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

Transmission Provider's Operating Representative:

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Small Generator Interconnection Agreement (SGIA)

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Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Transmission Provider

Name:

Title:

Date:

For the Interconnection Customer

Name:

Title:

Date:

Small Generator Interconnection Agreement (SGIA)

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Attachment 1

Glossary of Terms

Affected System – An electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Business Day – Monday through Friday, excluding Federal Holidays.

Default – The failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.

Distribution System – The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Transmission

Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Interconnection Provider, or any Affiliate thereof.

Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small

Glossary of Terms
Generating Facility with the Transmission Provider's Transmission System.

- 1 -

Interconnection Facilities – The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection of the Small Generating Facility with the Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, control area, or the Transmission Provider's requirements, including those set forth in the Small Generator Interconnection Agreement.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider's Transmission System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Tariff – The Transmission Provider or Affected System's Tariff through which open access transmission service and Interconnection Service are offered, as filed with the FERC, and as

Glossary of Terms
amended or supplemented from time to time, or any successor tariff.

- 2 -

Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission System – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the

Tariff.

Upgrades – The required additions and modifications to the Transmission Provider's Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Glossary of Terms

- 3 -

Attachment 2

**Description and Costs of the Small Generating Facility,
Interconnection Facilities, and Metering Equipment**

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Transmission Provider, or the Transmission Owner. The Transmission Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering

equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

Attachment 3

One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

Attachment 4

Milestones

In-Service Date:

Critical milestones and responsibility as agreed to by the Parties:

Milestone/Date	Responsible Party
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(0)	

Agreed to by:

For the Transmission Provider _____ Date _____

For the Transmission Owner (If Applicable) _____ Date _____

For the Interconnection Customer _____ Date _____

Attachment 5

**Additional Operating Requirements for the Transmission Provider's
Transmission System and Affected Systems Needed to Support
the Interconnection Customer's Needs**

The Transmission Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Transmission Provider's Transmission System.

Attachment 6

**Transmission Provider's Description of its Upgrades
and Best Estimate of Upgrade Costs**

The Transmission Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Transmission Provider shall functionalize Upgrade costs and annual expenses

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Attachment S, Tariff Administrator, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 70

Tariff Record Collation Value: 7750000 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

ATTACHMENT S

Tariff Administrator

WAPA-RMR is the Tariff Administrator as that term is defined in Part 1, Section 1 of the Tariff. WAPA-RMR is the Control Area Operator, the entity responsible for administering the Tariff, and will administer the OASIS on which Basin Electric Power Cooperative's Transmission System is included.

as either transmission or distribution related.

Basin Electric Power Cooperative
Revenue Requirement Worksheet - MBPP West
Utilizing RUS Form 12 Data
For the 12 months ended 12/31/02

Line No.		Total Transmission	
1	GROSS REVENUE REQUIREMENT (page 3, line 28)	\$	52,473,529
2	Less Amount for MBPP East		
3	REVENUE CREDITS	Total	Allocator
5	Account No. 456	\$ 207,558	TP 1.00000
6	Third Party Receipts	\$ 1,505,626	TP 1.00000
7	TOTAL REVENUE CREDITS (sum lines 5-6)		
8	NET REVENUE REQUIREMENT (sum lines 1, 2, 7)		
West Side Load		502,324	
Rates			
Annual		\$ 13.04	/kW-year
Monthly		\$ 1.09	/kW-mo
Weekly		\$ 0.25	/kW-week
Daily Off-Peak	7 days/week	\$ 0.04	/kW-day
Hourly		\$ 1.49	mills/kWh

Basin Electric Power Cooperative
Revenue Requirement Worksheet - MBPP West
Utilizing RUS Form 12 Data
For the 12 months ended 12/31/02

(1)		(2)	(3)	(4)		(5)	(6)	(7)
		Reference	Company Total	Allocator A		Total Transmission	Allocator B	
GROSS PLANT IN SERVICE								
1	Production	12h.1.A.6.e	1,668,030,362	NA		-		
2	Transmission *	12h.1.A.11.e	423,647,720	DA		423,647,720		
3	Distribution	12h.1.A.16.e	-	NA		-		
4	General	12h.1.A.17.e	99,046,815	NA		-		
4a	Direct Assign - Transmission		29,436,927	DA		29,436,927		
4b	Direct Assign - Production		17,588,821	NA		-		
4c	Other		52,021,067	WS	10.360%	5,389,507	WS-MBPP	0.925%
5	Intangible	12h.1.A.1.e	61,130,445	DA		31,483,930		
6	TOTAL GROSS PLANT (sum lines 1-5)		\$ 2,251,855,342			\$ 489,958,084		
6a				GP-A	21.758%		GP-B	
6b							TPGP	
ACCUMULATED DEPRECIATION								
7	Production	12h.1.B.1&4.f	769,425,500	NA		-		
8	Transmission	12h.1.B.5.f	189,738,978	DA		189,738,978		
9	Distribution	12h.1.B.6.f	-	NA		-		
10	General	12h.1.B.7.f	67,317,620	NA		-		
10a	Direct Assign - Transmission		18,994,230	DA		18,994,230		
10b	Direct Assign - Production		14,031,111	NA		-		
10c	Other		34,292,279	WS	10.360%	3,552,762	WS-MBPP	0.925%
11	Intangible	12h.1.B.12.f	32,136,843	DA		16,116,876		
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		\$ 1,058,618,941			\$ 228,402,846		
NET PLANT IN SERVICE								
13	Production	(line 1 - line 7)	898,604,862	AUTO		-		
14	Transmission	(line 2- line 8)	233,908,742	AUTO		233,908,742		
15	Distribution	(line 3 - line 9)	-	AUTO		-		
16	General	(line 4 - line 10)	31,729,195	AUTO		-		
16a	Direct Assign		10,442,697	AUTO		10,442,697		
16b	Production		3,557,710	AUTO		-		
16c	Other		17,728,788	AUTO		1,836,745		
17	Intangible	(line 5 - line 11)	28,993,601	AUTO		15,367,054		
18	TOTAL NET PLANT	(sum lines 13, 14, 16, 17)	\$ 1,193,236,400			\$ 261,555,237		
19				NP-A	21.920%		NP-B	4.395%
* Adjustment of \$1,199,738 made to transmission fixed assets is due to a correction for over accrual of property tax Differs from the RUS 12h by \$1,199,738								

Basin Electric Power Cooperative
Revenue Requirement Worksheet - MBPP West
Utilizing RUS Form 12 Data
For the 12 months ended 12/31/02

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Reference	Company Total	Allocator A	Total Transmission	Allocator B	
	O&M						
1	Transmission less Account 565	12a.A.8.b+ A.16.b-12l.A.8.a	11,165,870				
2	Direct Assignment	Accounting Records	-	DA	-	DA	
3	Other	(line 1 - line 2)	11,165,870	DA	11,165,870	TPWS	8.926%
4	A&G	12a.A.13.b	33,406,651				
5	Production	Accounting Records	6,593,637	NA	-		
6	Transmission	Accounting Records	528,173	DA	528,173	Accounting Records	
7	Headquarters	Accounting Records	26,284,841	WS	2,723,172	WS-MBPP	0.925%
8	Distribution		-	NA	-		
9	TOTAL O&M (sum lines 1 and 4)		\$ 44,572,521		\$ 14,417,215		
	DEBT SERVICE						
10	Interest Expense	12a.A.22.b	56,662,433	NP-A	12,420,302	NP-B	4.395%
11	Principal Payments	12h.H.c	78,797,247	NP-A	17,272,212	NP-B	4.395%
12	Amort of Debt Discount (428)	12a.A.25.b	3,322,583	NA	-		
13	Transmission	Accounting Records	842,387	DA	842,387	TPWS	8.926%
14	Headquarters	Accounting Records	59,173	WS	6,130	WS-MBPP	0.925%
15	Production	Accounting Records	2,421,023	NA	-		
16	Other Deductions (426)	Accounting Records	-	DA	-	DA	
17	TOTAL DEBT SERVICE (sum lines 10, 11, 12,16)		\$ 138,782,263		\$ 30,541,032		
	TAXES OTHER THAN INCOME TAXES						
	LABOR RELATED						
			-				
18	Payroll		-	WS		WS	
19	Highway and vehicle		-	WS		WS	
20	PLANT RELATED						
21	Property total		8,981,927	GP-A		NA	
22	Property Headquarters	12a.A.21.b (less income tax)	880,743	GP-A	21.758%	191,632	GP-B
23	Property Directly Assigned	Accounting Records	165,238	DA		165,238	NA
24	Production	12d & 12f	7,935,946	NA		-	NA
25	TOTAL OTHER TAXES		\$ 8,981,927		\$ 356,870		
26	TOTAL OPERATING EXPENSES (Sum 9+17+25)		\$ 192,336,712		45,315,117		
27	Margin		\$ 32,657,262	NP-A	21.920%	7,158,412	NP-B
							4.395%
28	REV. REQUIREMENT (sum lines 26+27)		\$ 224,993,974		52,473,529		

A & G Allocation

WAGES AND SALARY ALLOCATOR (W/S)					
Line No.	(1) (From Accounting Report - Cognos)	(2)	(3) TOTAL	(4) Allocator	(5) Percent
1	Production		27,602,828		
2	Transmission-East		143,717		
3	Transmission-West		284,770		
4	Transmission-Allocated		2,761,748		
5	Distribution		-		
6	Other		-		
7	Total Wages and Salaries (exclude adm)		\$30,793,063	WS Trans % of total wages	10.360%
8				TPWS Trans % of total trans	

WS-MBPP

MBPP-West Transmission	
\$	8,845,097
\$	(583,750)
\$	(207,558)
\$	(1,505,626)
\$	(1,713,184)
\$	6,548,163

(8)	
MBPP-West	
Transmission	
	-
90,419,729	-
	-
4,236,156	-
	-
481,084	
2,585,986	
<hr/>	
\$	97,722,954
4.340%	
19.945%	
	-
40,750,314	-
	-
2,847,993	-
	-
317,130	
1,366,558	
<hr/>	
\$	45,281,995
	-
49,669,415	-
	-
1,388,163	-
	-
163,953	
1,219,427	
<hr/>	
\$	52,440,959

(8)	
MBPP-West	
Transmission	
<hr/>	
	996,699
	-
	103,734
	243,079
	-
	<hr/>
\$	1,343,512
	2,490,229
	3,463,021
	-
	74,328
	547
	-
	-
	<hr/>
\$	6,028,126
	-
	-
	-
	38,221
	-
	-
	<hr/>
\$	38,221
	7,409,859
	1,435,238
	<hr/>
	8,845,097
	<hr/>

(6)
West
<u>Transmission</u>
\$284,770
0.925%
(line 3/ total)
8.926%
(% of total transmission)

Basin Electric Power Cooperative
 MBPP-West System Loads
 December 31, 2002

Tab 2 MBPP West Loads
 Page 1 of 1

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2002	<u>Network</u>	<u>Firm p-t-p</u>	
January	340	259	
February	347	277	
March	325	173	
April	277	0	
May	302	28	
June	283	0	
July	285	217	
August	296	131	
September	303	210	
October	318	318	
November	338	274	
December	<u>344</u>	<u>383</u>	
Total	3758	2270	
Average	313	189	502

**Basin Electric Power Cooperative
Third Party Revenue
December 31, 2002**

**Tab 3 Third Party Revenue
Page 1 of 1**

	2002	2002
<u>MONTH</u>	<u>PSCO</u>	<u>Tri-State</u>
January	57,806	28,479
February	87,025	28,479
March	98,674	28,479
April	74,863	28,479
May	76,934	28,479
June	88,542	28,479
July	146,111	28,479
August	130,706	28,479
September	144,455	28,479
October	78,475	28,479
November	101,739	28,479
December	78,545	28,479
Total	\$ 1,163,873	\$ 341,753

**2002
Tri-State** **\$ 36,605**

	2002	
	<u>KWH</u>	<u>Dollars</u>
Hourly Non-Firm		
West Side Transmission Sales		
January	1,734	2,791.74
February	1,947	3,134.67
March	5,401	8,695.71
April	4,899	7,887.39
May	8,760	14,103.60
June	5,386	8,671.46
July	27,579	44,402.19
August	27,569	44,386.09
September	11,010	17,726.10
October	3,310	5,329.10
November	3,846	6,192.06
December	4,741	7,633.01
Total	106,182	\$170,953.12

**Basin Electric Power Cooperative
MBPP-West System Transmission Facilities
December 31, 2002**

**Tab 4 MBPP West Facilities
Page 1 of 2**

CPLX	LINES	BOOK COST	12/31/02 ACCUM DEPR	12/31/02 NET BOOK VALUE
049	345kv line from LRS-Stegall	5,917,563	2,753,805	3,163,759
050	345kv line from LRS-Stegall Sub	519,922	234,770	285,152
051	345KV Line from LRS to NB Border	2,392,317	1,050,581	1,341,736
052	345KV Line - NB Border To Sidney Sub	3,702,714	1,599,834	2,102,879
053	345 KV LINE - Stegall Sub to Sidney Sub	4,971,800	2,171,235	2,800,565
073	230kv line from LRS to D Johnston	2,868,108	1,367,428	1,500,680
074	345kv line from LRS-Story	18,392,775	9,014,833	9,377,942
075	345kv line from CO Border to Story Sub	16,558,245	7,706,129	8,852,116
077	LRS Plantsite Lines	1,255,831	503,096	752,734
091	NEBRASKA TAX	161,866	66,795	95,071
096	MBPP Tri-State	12,498	10,521	1,977
101	230KV Line - Sidney Sub To WAPA Sub	499,280	236,827	262,453
102	230kv Stegall Tie Line	353,438	157,703	195,735
103	230KV Tie Line Stegall Sub - Stegall/WAPA	311,212	142,623	168,589
104	345kv line - 048 to CO Border	9,532,226	3,916,617	5,615,609
105	345kv line-CO Border to Ault	3,044,164	1,226,344	1,817,820
106	230kv Sidney Tie Line	268,113	127,846	140,267
SUBTOTAL LINES		70,762,073	32,286,988	38,475,085
SUBSTATIONS				
045	230kv LRS Switch Station	2,239,383	995,928	1,243,455
048	345kv LRS Substation	5,835,824	2,941,475	2,894,349
076	230kv D Johnson Substation	379,358	180,145	199,213
078	345/230 KV Stegall Substation	3,014,708	1,400,390	1,614,318
079	345/230 KV Sidney Substation	4,083,137	1,927,349	2,155,788
079	345/230 KV Sidney Substation	1,247	1,247	-
084	230 KV Stegall-WAPA Sub Addition	599,773	269,721	330,052
086	230kv Story Substation	412,617	194,017	218,600
100	230/115 KV Sidney Substation Addition	284,620	117,352	167,267
190	345kv Story Substation	2,820,734	1,242,048	1,578,686
SUBTOTAL SUBSTATIONS		19,671,401	9,269,673	10,401,728

Basin Electric Power Cooperative
MBPP-West System Transmission Facilities
December 31, 2002

Tab 4 MBPP West Facilities
Page 2 of 2

CPX	Description	Installed Costs	Accum Depr	12/31/01 NET BOOK VALUE
MICROWAVE COMMUNICATONS				
131	Microwave Communication-WY	1,207,846	628,694	579,151
132	Microwave Communication-CO	361,212	272,130	89,082
133	Microwave - NB	697,637	502,456	195,181
135	Microwave - ND	6,016	5,831	185
138	Microwave - SD	46,623	21,929	24,693
		2,319,334	1,431,041	888,293
	Less Non-Trans MW (4.724%)	(109,565)	(67,602)	(41,963)
	SUBTOTAL MICROWAVE	2,209,768	1,363,438	846,330
MAINTENANCE BUILDING				
107	Trans Maintenance Building - Stegall	1,086,255	694,378	391,877
108	LRS Trans Maintenance Bldg	926,388	778,409	147,979
	SUBTOTAL MAINTENANCE	2,012,642	1,472,787	539,856
OTHER				
085	345kv Ault Substation	2,516,855	1,333,124	1,183,731
088	230KV OCB-Tri-State	69,131	33,435	35,696
	SUBTOTAL OTHER	2,585,986	1,366,558	1,219,427
	General Ledger Accum Depr Adjust		(794,579)	
	GRAND TOTAL	97,241,870	44,964,865	52,277,005

Basin Electric Power Cooperative
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For the 12 months ended 12/31/02

Tab 1 Utility Plant

SECTION A UTILITY PLANT

Item	Balance Beginning of Year	Additions	Retirements	Adjustments and Transfers	Balance End of Year
1. Total Intangible Plant (301 thru 303)	61,130,445				61,130,445
2. Total Steam Production Plant (310 thru 316)	1,506,953,145	91,276,958	1,305,005		1,596,925,098
3. Total Nuclear Production Plant (320 thru 325)	0				0
4. Total Hydro Production Plant (330 thru 336)	0				0
5. Total Other Production Plant (340 thru 346)	24,220,781	47,421,507	537,024		71,105,264
6. Total Production Plant (2 thru 5)	1,531,173,926	138,698,465	1,842,029	0	1,668,030,362
7. Land and Land Rights (350)	16,286,910	292,500			16,579,410
8. Structures and Improvements (352)	9,620,801	20,000			9,640,801
9. Station Equipment (353)	117,228,311	2,936,802	72,393		120,092,720
10. Other Transmission Plant (354 thru 359)	275,310,226	824,825			276,135,051
11. Total Transmission Plant (7 thru 10)	418,446,248	4,074,127	72,393	0	422,447,982
12. Land and Land Rights (360)	0				0
13. Structures and Improvements (361)	0				0
14. Station Equipment (362)	0				0
15. Other Distribution Plant (363 thru 373)	0				0
16. Total Distribution Plant (12 thru 15)	0				0
17. Total General Plant (389 thru 399)	94,872,347	6,988,918	2,959,759	145,309	99,046,815
18. Electric Plant in Service (1+6+11+16+17)	2,105,622,966	149,761,510	4,874,181	145,309	2,250,655,604
19. Electric Plant Purchased or Sold (102)					0
20. Electric Plant Leased to Others (104)					0
21. Electric Plant Held for Future Use (105)					0
22. Completed Construction Not Classified (106)					0
23. Acquisitions Adjustments (114)					0
24. Other Utility Plant (118)					0
25. Nuclear Fuel Assemblies (120.1 thru 120.4)					0
26. Total Utility Plant in Service (18 thru 25)	2,105,622,966	149,761,510	4,874,181	145,309	2,250,655,604
27. Construction Work in Progress (107)	47,210,784	149,286,244		(149,761,511)	46,735,517
28. Total Utility Plant (26+27)	2,152,833,750	299,047,754	4,874,181	(149,616,202)	2,297,391,121

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SECTION B: ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION - UTILITY PLANT

ITEM	Comp. Rate (%) (a)	Balance Beginning of Year (b)	Annual Accruals (c)	Retirements Less Net Salvage (d)	Adjustments and Transfers (e)	Balance End of Year (f)
1. Depr. of Steam Prod. Plant (108.1)	0.00%	713,665,368	38,876,912	578,753		751,963,527
2. Depr. of Nuclear Prod. Plant (108.2)	0.00%					
3. Depr. of Hydraulic Prod. Plant (108.3)	0.00%					
4. Depr. of Other Prod. Plant (108.4)	0.00%	16,217,071	1,396,814	151,912		17,461,973
5. Depr. of Transmission Plant (108.5)	0.00%	180,767,887	8,991,788	20,697		189,738,978
6. Depr. of Distribution Plant (108.6)	0.00%					
7. Depr. of General Plant (108.7)		64,745,147	2,292,550	(279,923)		67,317,620
8. Retirement Work in Progress (108.8)						
9. Total Depr. For Elec. Plant in Serv. (1-8)		975,395,473			0	1,026,482,098
10. Depr. of Plant Leased to Others (109)	0.00%					
11. Depr. of Plant Held for Future Use (110)	0.00%					
12. Amort. of Elec. Plant in Service (111)	0.00%	30,535,598	1,601,245			32,136,843
13. Amort. of Leased Plant (112)	0.00%					
14. Amort. of Plant Held for Future Use	0.00%					
15. Amort. of Acquisition Adj. (115)	0.00%					
16. Depr. & Amort. Other Plant (119)	0.00%					
17. Amort. of Nuclear Fuel (120.5)	0.00%					
18. Total Prov. For Depr. & Amort. (9-17)		1,005,931,071	53,159,309	471,439	0	1,058,618,941

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SECTION B: ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION - UTILITY PLANT - continued

19.	Amt of Annual Accrual Charged toExpense	20.	Amt of Annual Accrual Charged to other Accounts	21.	Book Cost of Property Retired
	\$0.00		\$0.00		\$949,984
22.	Removal Cost of Property Retired	23.	Salvage Material from Property Retired	24.	Renewal and Replacement Cost
	\$25,785		\$504,330		\$0

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SECTION C. NONUTILITY PLANT

ITEM	Balance Beginning of Year (a)	Additions (b)	Retirements (c)	Adjustments and Transfers (d)	Balance End of Year (e)
1. Nonutility Property (121)	762,040		422,200		339,840
2. Provision for Depr. & Amort. (122)	762,040		422,200		339,840

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION
RUS 12H - YEAR ENDING 2002

	Balance Beginning of Year 12H	Summary Report (YTD) from AM by Acct/Type	Accum Depr on Disposals & Transfers	from Joan Sum Report YTD 12500 and 81080	from Joan Retirements less Net Salvage	Open RWO's 12505	Balance End of Year
Generation	(713,665,366.55)	(37,422,608.47)	(514,401.45)	(939,901.00)	578,753.00		(751,963,524.47)
Other Prod	(16,217,071.28)	(1,751,195.32)	385,111.20	(30,730.00)	151,912.00		(17,461,973.40)
Transmission	(180,767,888.01)	(8,968,599.65)	51,696.81	(84,062.00)	20,697.00	9,177.26	(189,738,978.59)
Other	(64,745,147.34)	(5,302,432.29)	2,729,958.88	279,923.00	(279,923.00)		(67,317,620.75)
Amortization	(30,535,598.42)	(1,601,245.36)					(32,136,843.78)
TOTALS	(1,005,931,071.60)	(55,046,081.09)	2,652,365.44	(774,770.00)	471,439.00	9,177.26	(1,058,618,940.99)

Basin Electric Power Cooperative
Administrative and General Expenses
For the 12 months ended 12/31/02

Tab 6 A&G

Summary by Account for RUS 920 and 930 for Year 2002

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COMPANY	FISCAL_YEAR	RUS	ACCOUNT	ACCOUNT_DESC	SumOfYearlyAmt
45	2002	920	47110	Interest Income Non-Government	-
45	2002	920	49110	Gain (Loss) Sale Of Property	-
45	2002	920	49800	Misc Non-Operating Income	-
45	2002	920	51100	Materials	1,300,942.28
45	2002	920	51110	Mat & Sup-Sales Tax Expense	254,157.12
45	2002	920	51125	Inventory Adjustments	(4.00)
45	2002	920	51130	Tools	4,209.59
45	2002	920	51140	Postage-Office & Materials	146,568.69
45	2002	920	51145	Consumables	49,219.48
45	2002	920	51200	Fuel-Gas & Diesel	422,838.00
45	2002	920	51205	Gases	(43.74)
45	2002	920	51210	Lubricants	-
45	2002	920	51300	Lime	-
45	2002	920	51700	Chemicals	2,881.36
45	2002	920	52100	Electricity	407,026.81
45	2002	920	52200	Water/Sewer	31,485.10
45	2002	920	52300	Natural Gas	8,086.96
45	2002	920	52600	Telephone-direct	1,426,715.66
45	2002	920	53100	Employee Salaries	23,215,080.96
45	2002	920	53110	Employee Benefits	7,853,177.48
45	2002	920	53180	Payroll Tax	1,710,967.01
45	2002	920	53200	Sem Fees/Tuition/Training	725,758.60
45	2002	920	53210	Business Travel	706,207.40
45	2002	920	53215	Miscellaneous Travel	117,797.06
45	2002	920	53220	Education Travel	333,275.44
45	2002	920	53225	Fees/Dues-Employee Related	57,675.47
45	2002	920	53230	Interview Expense	479.55
45	2002	920	53235	Moving/Relocation	13,964.39
45	2002	920	53240	Welfare/Recreation	126,073.43
45	2002	920	53250	Business Associate Activities	2,439.48
45	2002	920	54100	Contracted Services	2,375,996.24
45	2002	920	54110	External Auditor	109,183.33
45	2002	920	54120	Legal Consultants	1,515,430.36
45	2002	920	54130	Miscellaneous Consultants	1,401,555.43
45	2002	920	54140	Maintenance Agreements	227,680.45
45	2002	920	54150	Commissions	(225.00)
45	2002	920	54160	Financial Service Fees	310,888.00
45	2002	920	54500	Mainframe Costs Allocated	547,704.33
45	2002	920	54505	NST Admin costs Allocated	814,319.17
45	2002	920	54510	Desktop Expense Allocated	673,413.60
45	2002	920	54515	CSN Mrktg Allocated	160,892.70
45	2002	920	54520	Client Server Support Alloc	418,266.63
45	2002	920	54530	IST Admin costs Allocated	6,987,861.57
45	2002	920	54535	IST Adm-Network Allocated	23,209.08
45	2002	920	54540	HP UNIX Box Exp Allocated	474,785.17
45	2002	920	54550	Enterprise System Allocated	280,099.89
45	2002	920	54555	IST Adm-Enterprise Allocated	646,471.38
45	2002	920	54560	Non-Enterprise Systems Alloc	252,985.92
45	2002	920	54565	IST Adm-Non-Entrps Sys Alloc	321,593.79
45	2002	920	54570	File Servers Allocated	235,489.18
45	2002	920	54575	IST Adm-File Server Alloc	472,608.89
45	2002	920	54580	IST Adm-Mainframe Alloc	430,801.86
45	2002	920	54585	IST Adm-HP Unix Alloc	733,315.80
45	2002	920	54600	Admin Exp-Direct Chg Services	1,092,608.89
45	2002	920	54605	Admin Exp Alloc-Headquarters	17,680,976.59
45	2002	920	54615	Admin Exp Alloc-Square Feet	5,690,743.37
45	2002	920	54620	Admin Exp Alloc-# Employees	3,378,443.86
45	2002	920	54625	Admin Exp Alloc-Airplane	1,062,046.48
45	2002	920	54700	Support Services-Labor&Other	722,380.63
45	2002	920	54800	Admin Ovhd Alloc to W/O	531,352.40
45	2002	920	55100	Printing	101,083.91
45	2002	920	55105	Advertising	1,753,618.11
45	2002	920	55110	Subscriptions	113,866.67
45	2002	920	55115	Office Materials	459,501.62
45	2002	920	55120	Tour Expense	15,464.29
45	2002	920	58800	Promotional/Marketing	99,548.02
45	2002	920	58805	Computer Software	2,447,099.37
45	2002	920	58810	Computer Hardware	728,270.25
45	2002	920	58815	Vehicle Expense	26,842.89

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45	2002	920	58820	Miscellaneous General Expense	728,342.15
45	2002	920	58825	Corporate Dues	1,413,598.18
45	2002	920	58830	Charitable Contributions	156,848.00
45	2002	920	58835	Member Marketing Assist Prog	30,000.00
45	2002	920	58837	Green Tag Purchases	50,532.80
45	2002	920	58840	Fees/Dues-Basin Only	(9,431.83)
45	2002	920	58860	Uncollected A/R	2,019.48
45	2002	920	58870	Board of Directors Expense	195,275.85
45	2002	920	58871	BOD exp-Non Board Mtg	166,723.78
45	2002	920	58890	Other Deductions	829.96
45	2002	920	58900	Corporate Fees-Non-Employee Reltd	177,522.10
45	2002	920	59900	Unallocable expenses	444,951.89
45	2002	920	61100	Lease Expense-Other	111,635.31
45	2002	920	62100	Rent Expense	450,449.60
45	2002	920	63100	Property Insurance	42,998.30
45	2002	920	63110	Comprehensive Gen Insurance	553.26
45	2002	920	63120	Umbrella/Excess Insurance	3,215.44
45	2002	920	63200	Auto Insurance	8,808.96
45	2002	920	63700	Surety Bonds	1,936.00
45	2002	920	63800	Miscellaneous Insurance	259,215.48
45	2002	920	64600	Property Tax	364,567.04
45	2002	920	64800	Other Taxes	350.92
45	2002	920	65500	Amort Debt Discount	0.01
45	2002	920	66100	Interest-LTD-RUS	(0.04)
45	2002	920	66110	Interest-LTD-FFB	(0.01)
45	2002	920	66115	Interest-LTD-Bond	(0.04)
45	2002	920	66180	Interest-LTD-Other	0.01
45	2002	920	66600	Interest Exp-Other	1,187.42
45	2002	920	70310	Reclass Capital/Expense/G & A	(622,653.80)
45	2002	920	70330	Reclass Work Order Activity	(1,324,221.64)
45	2002	920	70340	Reclass IST Alloc Billed	(154,800.00)
45	2002	920	75115	Payroll Clearing	-
45	2002	920	75120	A/P Expense Clearing	(15,116.09)
45	2002	920	75135	Billing-Miscellaneous	(905,037.30)
45	2002	920	75140	WO Billing Clearing	40.00
45	2002	920	75145	Allocation Holding	(44,369.91)
45	2002	920	75150	Procurement & DCC Exp Alloc	(637,000.36)
45	2002	920	75160	Function Exp Billed-Not Alloc	(667,825.89)
45	2002	920	75175	Offset-Airplane Allocated	(1,930,022.38)
45	2002	920	75180	Offset-Admin Alloc/Sq Foot	(5,690,743.37)
45	2002	920	75181	Commission Fee Alloc	(73,356.87)
45	2002	920	75185	Offset-Admin Alloc/# Employees	(3,378,443.86)
45	2002	920	75190	Offset-Mainframe Allocated	(2,169,345.83)
45	2002	920	75195	Offset-IST Admin Allocated	(7,185,836.49)
45	2002	920	75200	Offset-Headquarter Other Alloc	(36,103,300.68)
45	2002	920	75205	Offset-Hdq Desktop Allocated	(673,413.60)
45	2002	920	75210	Offset-Network Server Alloc	(828,501.64)
45	2002	920	75215	Offset-HP UNIX Allocated	(516,035.84)
45	2002	920	75220	Offset-Enterprise System Alloc	(725,221.04)
45	2002	920	75225	Offset-Non-Enterprise Sys Allc	(497,216.58)
45	2002	920	75230	Offset-File Servers Allocated	(461,802.88)
45	2002	920	75235	Offset-Mainframe-Admin	(1,868,333.00)
45	2002	920	75240	Offset-HP Unix-Admin	(817,702.72)
45	2002	920	75245	Offset-Network-Admin	(45,924.95)
45	2002	920	75250	Offset-Enterprise-Admin	(1,903,164.83)
45	2002	920	75255	Offset-Non-Entrprs-Admin	(637,036.98)
45	2002	920	75260	Offset-File Server-Admin	(935,935.52)
45	2002	920	75265	Offset-NST Allocated	(814,319.17)
45	2002	920	75275	Offset-CSN Mrktg Allocated	(160,892.70)
45	2002	920	75300	ETP Exp Clearing	193,892.48
45	2002	920	75555	Payroll Clrng-Resp Acctg	(28,429.85)
45	2002	920	75556	Payroll Benefits Clrng	(9,335.31)
45	2002	920	75557	Payroll Taxes Clrng	(2,194.44)
45	2002	920	85620	Station Exp-Participant	(19,984.40)
45	2002	920	85660	Misc Trans Exp-Participant	(6,316.03)
45	2002	920	85730	Maint-Misc Trans-Participant	(26,447.60)
45	2002	920	89200	Admin/Gen Salry-Participant	333,914.51
45	2002	930	53110	Employee Benefits	-
45	2002	930	53180	Payroll Tax	-
45	2002	930	54100	Contracted Services	4,980.00
45	2002	930	54500	Mainframe Costs Allocated	-
45	2002	930	54505	NST Admin costs Allocated	-
45	2002	930	54510	Desktop Expense Allocated	-
45	2002	930	54515	CSN Mrktg Allocated	-
45	2002	930	54520	Client Server Support Alloc	-
45	2002	930	54530	IST Admin costs Allocated	-
45	2002	930	54535	IST Adm-Network Allocated	9,081.26
45	2002	930	54540	HP UNIX Box Exp Allocated	-

45	2002	930	54550	Enterprise System Allocated	97,825.94
45	2002	930	54555	IST Adm-Enterprise Allocated	254,043.28
45	2002	930	54560	Non-Enterprise Systems Alloc	97,165.98
45	2002	930	54565	IST Adm-Non-Entrps Sys Alloc	126,541.87
45	2002	930	54570	File Servers Allocated	91,184.92
45	2002	930	54575	IST Adm-File Server Alloc	185,502.40
45	2002	930	54580	IST Adm-Mainframe Alloc	313,809.59
45	2002	930	54585	IST Adm-HP Unix Alloc	-
45	2002	930	54605	Admin Exp Alloc-Headquarters	3,042,657.05
45	2002	930	54615	Admin Exp Alloc-Square Feet	-
45	2002	930	54625	Admin Exp Alloc-Airplane	-
45	2002	930	54700	Support Services-Labor&Other	-
45	2002	930	58820	Miscellaneous General Expense	5,500.00
45	2002	930	63120	Umbrella/Excess Insurance	-
45	2002	930	70310	Reclass Capital/Expense/G & A	-
45	2002	930	75181	Commission Fee Alloc	73,356.87
45	2002	930	75200	Offset-Headquarter Other Alloc	-
45	2002	930	89300	General Exp-Participant	1,620,153.47

33,406,650.79

Basin Electric Power Cooperative
Other Deductions
For the 12 months ended 12/31/02

Tab 7 Other Deductions

OTHER DEDUCTIONS (RUS 411, 426, 426.2, 426.499, 426.5, 428, & 430)

2002

RUS 411

Gain on Sale of EPA Pollution Control Allowances-Basin	(212,540.26)
Gain on Sale of EPA Pollution Control Allowances-LRS Basin's Share	(16,858.35)
Amortization of 1998 Revenue Deferral	
Total RUS 411	<u>(229,398.61)</u>

RUS 426

Obsolete Inventory Write-Off Basin	0.00
Obsolete Inventory Write-Off-LRS-Basins's Share	
Total RUS 426	<u>0.00</u>

RUS 426.499

Write-off of uncollectible A/R Surn Industries	0.00
Loss on Long-Term Investments	128,743.42
Total RUS 426,499	<u>128,743.42</u>

RUS 428

Amortize Debt Discount-AVS	1,322,802.28	Production
Amortize Debt Discount-Groton	9,703.74	Transmission
Amortize Debt Discount-Headquarters	59,173.18	HDQ
Amortize Debt Discount-LOS	307,595.73	Production
Amortize Debt Discount-LRS	758,461.04	Production
Amortize Debt Discount-SMS	32,163.64	Production
Amortize Debt Discount-TSM	832,683.49	Transmission
Amortize Debt Discount-WJN	0.00	
Reclass Capital & Expense to Admin		
Total RUS 428	<u>3,322,583.10</u>	

RUS 430

Short-Term Member Investment Interest Expense	1,349,803.56
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Total Other Deductions

4,571,731.47

**Basin Electric Power Cooperative
Taxes Other Than Income Taxes
For the 12 months ended 12/31/02**

Tab 8 Taxes Other Than Income

**OTHER EXPENSES
AND TAXES OTHER THAN INCOME TAXES
YEAR ENDING 2002**

1 State and Local Property Taxes	\$2,009,178
Other Expenses	
2 Report 12A Line 25 Other Deductions	\$5,193,660
3 Less: Interest	(\$4,658,490)
4 Add: Other Taxes (not included in line 1)	\$6,972,749
5 Net Other Expenses	\$7,507,919
6 Total Other Taxes (line 1 + line 4)	\$8,981,927

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